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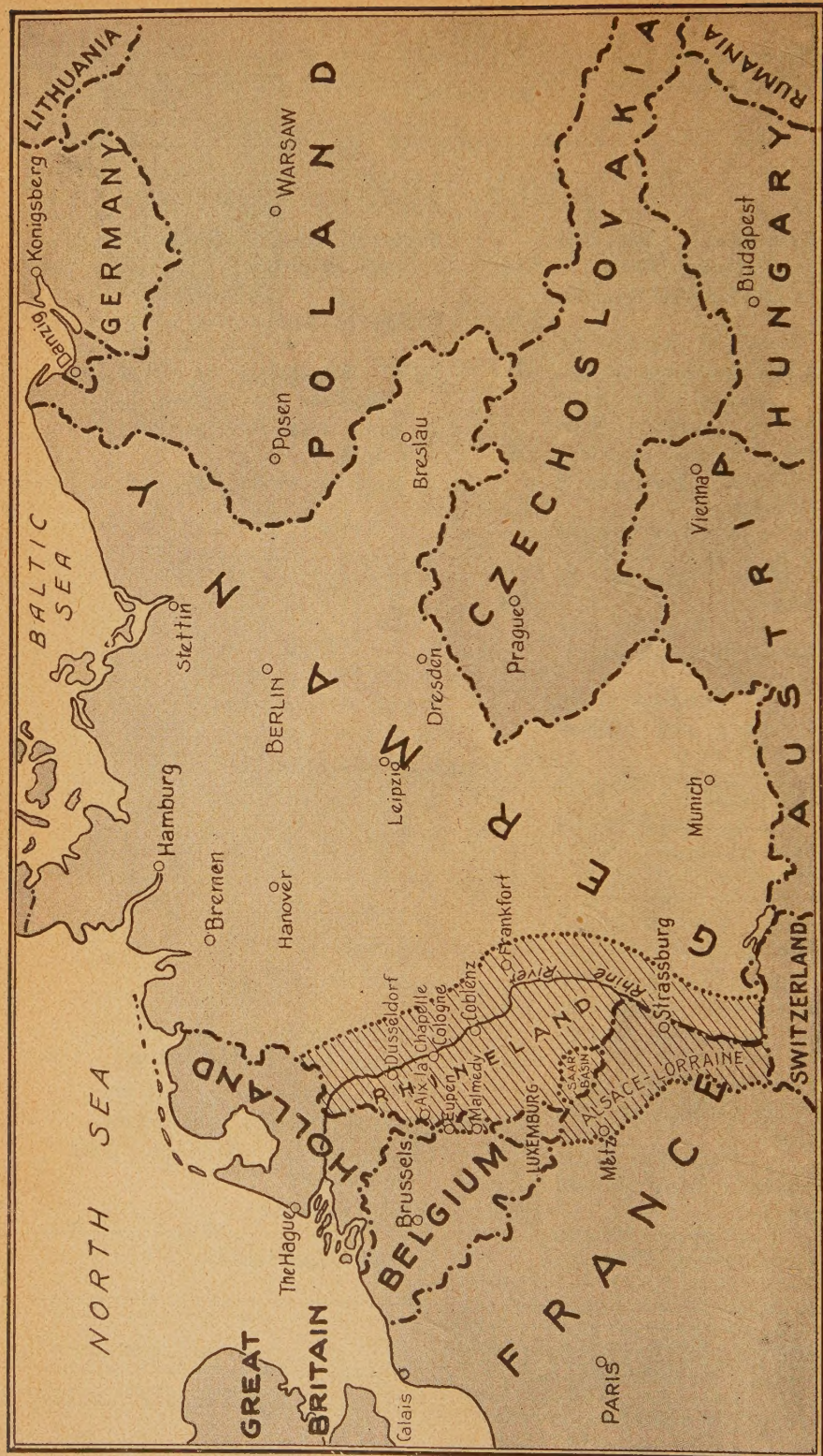
Biography

World Finance

FRANCIS H. SISSON

Travel Department

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Map showing the territories affected by the proposed security compact between Great Britain, France, Belgium, Italy and Germany. The Rhineland and other areas that have been or that are still in dispute between France and Germany are indicated by the diagonal shading



CURRENT HISTORY

Vol. XXII.

JULY, 1925

Number 4

Secret Document Reveals Britain's Darkest Hour

Lloyd George's Moving Appeal to America—The United States Gives Pledges and Redeems Them

FOR the first time since the end of the World War it is now possible to reveal in its fullness the crisis with which the Allies were confronted in the darkest hours of the year 1917. The document which is printed in the following pages contains a momentous statement delivered by David Lloyd George, then the British Prime Minister, to a gathering of the greatest historic importance. That gathering was nothing less than a conference of the British War Cabinet and other leading British statesmen and administrators with the members of the American War Mission—held in the same room at 10 Downing Street, London, where 140 years before another British Cabinet had decided upon the course of action that lost the American Colonies to the British Crown. This time Great Britain, speaking through Lloyd George, appealed for help in the most urgent man-

ner to the representatives of the rich and mighty Republic which had grown out of those Colonies—or else the Allies' cause were lost. A few months after America entered the war, it will be remembered, President Wilson sent a War Mission, headed by Colonel Edward M. House, to Europe. At the conference with the British War Cabinet on Nov. 20, 1917, however, Colonel House was not present, and Admiral W. S. Benson represented him.

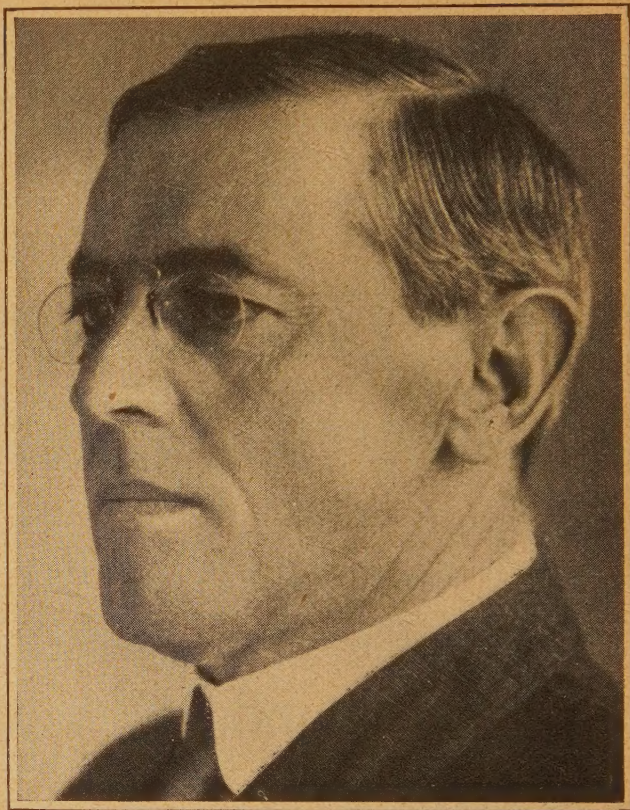
Perhaps the most striking point that this document drives home is that the Allies were much nearer defeat and disaster and the Teutonic powers much nearer victory than any one except those in the highest places could realize at the time. One, indeed, cannot read this impressive paper without feeling convinced beyond a shadow of doubt that if the United States had not gone to the rescue of the Allies by taking up arms in April, 1917, and had not thereafter

exerted its full military and industrial strength on their behalf the war would have been lost. For its evidence on this all-important matter Lloyd George's speech will always be of prime historical value.

THE OUTSTANDING DIFFICULTY

This revealing document is also of great interest for the light it throws upon some of the actual obstacles that had to be removed to enable the Allies to benefit to the full by the assistance that the United States had pledged itself to render. As the discussion which followed the speeches by Lloyd George and Admiral Benson shows, the outstanding difficulty was that of shipping. Ships, it should not be forgotten, were being lost at a most alarming rate as a result of the German submarine campaign; so that it was imperative that other vessels be built or acquired to make good the losses.

Although shipping was the crux of the whole problem and the civilians who were concerned with it were in a position to contribute more to the eventual winning of the war than the actual commanders in the field, yet on this question there were serious differences. As is made clear in the discussion disclosed in the following report of the conference, in which Mr. Bainbridge Colby, as the representative of the United States Shipping Board, took so prominent a part, it was no easy task to reconcile British policy with the American standpoint, nor was there anything like complete agreement on the issue until this historic meeting at Down-



William H. Stockbridge

WOODROW WILSON

ing Street. It will also be noticed that it was on the question of shipping alone that the conference found it necessary to register any formal decision or take any definite action. A special committee, consisting of four British and four American representatives, was appointed to meet later the same day to consider what should be done with the neutral shipping available to the Allies. The results obtained by the committee are not recorded in the document printed in the following pages, but it is known that the committee completed its work the same evening by reaching an agreement that was preliminary to the creation a few weeks later of the Allied Maritime Transport Council—the organization that in the last year of the war played such an important part in

supplying both the armies in the field and the civil populations upon whose labors the fighting men were dependent.

SEIZURE OF SHIPS

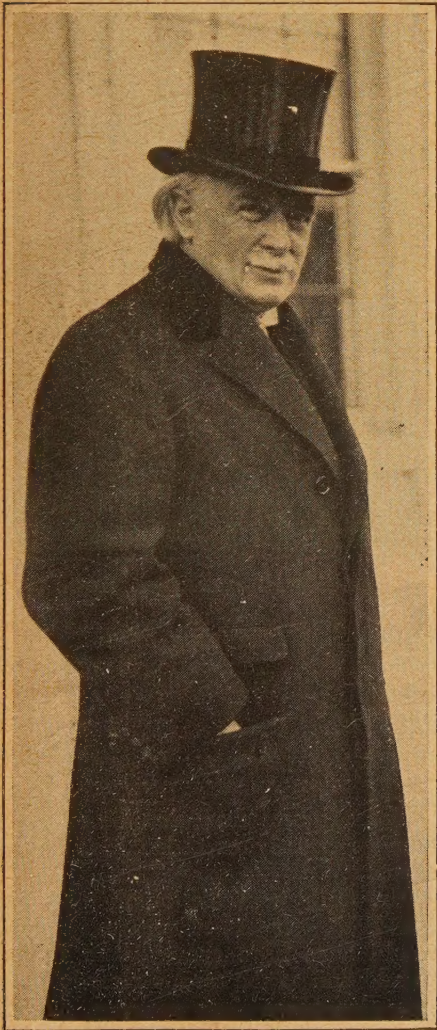
On America's entry into the war the blockade which the British had been making increasingly stringent against Germany became both comprehensive in scope and effective in operation. One of the factors that contributed to this result was the pressure which America brought to bear to make the Allies'

agreements with the neutral nations of Northern Europe more drastic, and to participate in the control and operation of neutral tonnage which was under charter to the Allies. America, too, put into operation the so-called "Law of Angary," which was held to justify the seizure by a country at war of any property in its territory, whether the owner was a national or a neutral. In this way Danish and Norwegian ships were obtained and subjected to common operation by America and the Allies, and later a large quantity of Dutch shipping, which had long lain idle in American and British ports, was requisitioned, America obtaining in this way the use of some 500,000 tons and Great Britain about half as much. "The importance and the success of the allied negotiations with the neutrals," says J. A. Salter, in his authoritative work, "Allied Shipping Control" (Oxford, 1921), "can best be shown by statements showing the amount of tonnage owned by each of them and the way the whole tonnage was employed at the time of the armistice." Salter then gives the following table (page 108):

Employment of Neutral Tonnage at the Armistice (over 500 tons)

	Gross Ships Tonnage
In import service of the Allies	590 1,175,000
In military service of Allies..	50 86,000
In import or other service of neutrals	879 2,053,000
Repairing or laid up.....	302 702,000

"Of the above tonnage," Salter adds, "179 ships of 306,000 gross tonnage were in the pool of neutral tonnage chartered by the Inter-Allied Chartering Committee, and employed under directions issued under the authority of the Allied Maritime Transport Council. * * * In addition about 330,000 gross tons of requisitioned neutral tonnage sailed under the American flag and about 270,000 tons under the British and French flags. * * * With this additional quantity about half of the entire neutral tonnage of the world was in the direct service of the Allies."



DAVID LLOYD GEORGE

PLEDGE AND PERFORMANCE

When Admiral Benson, replying on behalf of the American War Mission, said that the United States intended to do all in its power to help the Allies to win the war, he was only repeating what President Wilson had already declared more than once on behalf of the United States as a whole.

The United States, said Admiral Benson, "hoped" within the following eighteen months to add at least 267 destroyers to its fleet. There were also 103 submarines building, and it was hoped to increase that number when the facilities would permit. According to the Statistical Abstract of the United States, these craft in the United States Fleet on July 1 of each of the years mentioned (1917-1919) numbered:

	Destroyers.	Submarines.
1917	52	44
1918	65	57
1919	159	93

As to aircraft, Admiral Benson said that the United States hoped in January, 1918, to be turning out machines by hundreds per month and in May or June by thousands. According to the Aeronautical Chamber of Commerce, the number of airplanes built in the United States during the periods mentioned in the following table was:

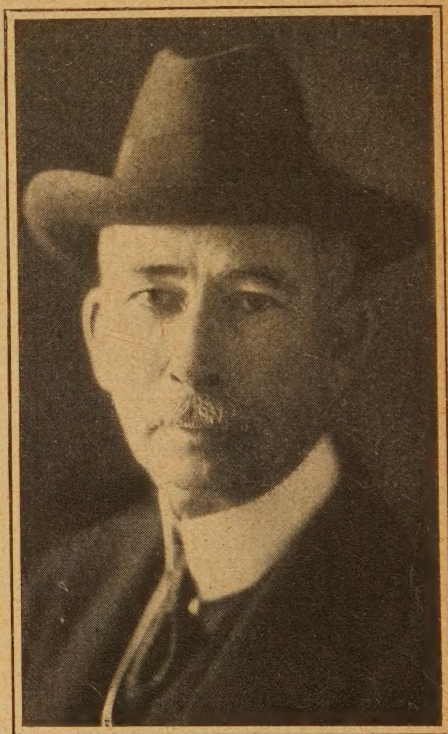
July 1-Sept. 10, 1917.....	436
Sept. 10-Dec. 31, 1917.....	1,031
January-March, 1918	2,248
April-June, 1918	2,803
June-September, 1918	3,365
September-December, 1918	4,345

At the end of 1918 the United States was thus manufacturing an average of nearly 1,500 airplanes a month.

THE SHIPS THAT WON THE WAR

Regarding Mr. Colby's forecasts in regard to the new ships America intended to produce, it should be pointed out that in August, 1914, the United States had in its merchant marine 624 steam vessels aggregating 1,758,465 gross tons, and that when the armistice

was signed there were 1,366 steam vessels of 4,685,263 gross tonnage. The gross tonnage of merchant ships built in American yards in 1918 was 3,033,385, and in 1919 it was 4,075,385. According to the Statistical Abstract of the United States, the gross tonnage in



COLONEL EDWARD M. HOUSE

United States shipping on June 30 of each of the years mentioned was as follows:

1917.....	8,871,037
1918.....	9,924,518
1919.....	12,907,300

These figures show that the output of tonnage greatly exceeded Mr. Colby's estimate.

Mr. Colby's prediction that by Jan. 15, 1918, an American army corps would have been conveyed to France, in addition to the troops already there, was also more than realized, for the war strength of an army corps is 65,000, and on Jan. 1, 1918, according to the

Statistical Abstract of the United States for 1919, there were 176,000 American troops overseas, though the number actually in France was not given.

There is no need to quote further facts and figures to demonstrate how great was the part played by America in saving the allied cause in the World War. What is of interest and importance in the present connection is the revelation of a situation far more critical than was realized by any one except those actually at the helm of State.

FULL TEXT OF REVEALING DOCUMENT

Procès-verbal of a Conference of the British War Cabinet and Heads of Government Departments with certain Members of the Mission from the United States of America, held at 10 Downing Street, S. W., on Tuesday, November 20, 1917, at 11:30 A. M.

PRESENT:

GREAT BRITAIN

The Prime Minister
(David Lloyd George).

The Right Hon. the Earl Curzon of Kedleston, K. G., G. C. S. I., G. C. I. E.

The Right Hon. the Viscount Milner, G. C. B., G. C. M. G.

The Right Hon. Sir E. Carson, K. C., M. P.

The Right Hon. A. Bonar Law, M. P.

The Right Hon. G. N. Barnes, M. P.

Lieut. Gen. the Right Hon. J. C. Smuts, K. C.

The Right Hon. A. J. Balfour, O. M., M. P., Secretary of State for Foreign Affairs.

The Right Hon. Lord Robert Cecil, K. C., M. P., Minister of Blockade.

The Right Hon. Sir E. Geddes, G. B. E., K. C. B., M. P., First Lord of the Admiralty.

Admiral Sir J. R. Jellicoe, G. C. B., O. M., G. C. V. O., First Sea Lord and Chief of the Naval Staff.

UNITED STATES

Admiral W. Shepherd Benson, U. S. N., Chief of Operations.

General Tasker Howard Bliss, U. S. A., Chief of Staff.

Mr. Oscar Terry Crosby, Assistant Secretary of the Treasury.

Mr. Vance C. McCormick, Chairman of the War Trade Board.

Mr. Bainbridge Colby, Representative of the United States Shipping Board.

Dr. Alonzo E. Taylor, Representing United States Food Controller.

Mr. Thomas Nelson Perkins, Representative of the United States War Industries and Priority Board.

Mr. Paul D. Cravath, Legal Adviser to United States Treasury.

The Right Hon. the Earl of Derby, K. G., G. C. V. O., C. B., Secretary of State for War.

General Sir W. R. Robertson, G. C. B. K., C. V. O., D. S. O., Chief of the Imperial General Staff.

The Right Hon. W. Long, M. P., Secretary of State for the Colonies.

The Right Hon. Sir J. P. Maclay, Bart., Shipping Controller.

The Right Hon. Sir A. Stanley, M. P., President of the Board of Trade.

The Right Hon. Lord Rhondda.

The Right Hon. A. Chamberlain, M. P.

Major J. L. Baird, C. M. G., D. S. O., M. P., Parliamentary Secretary to the Air Board.

Sir L. Worthington Evans, Bart., M. P., Parliamentary Secretary to the Ministry of Munitions.

Mr. P. Kerr.
The Right Hon. the Viscount Reading, G. C. B., K. C. V. O.

Lord Northcliffe.
Sir Charles Gordon, Vice Chairman to Lord Northcliffe's Mission.

Lieut. Col. Campbell Stuart, Military Secretary to Lord Northcliffe's Mission.

Lieut. Col. Sir M. P. A. Hankey, K. C. B., Secretary.

Colonel E. D. Swinton, C. B., D. S. O., Assistant Secretary.

Major L. Storr, Assistant Secretary.

Mr. Gordon Auchincloss, Assistant Counselor of the State Department and Secretary to the American Mission.

Brig. Gen. W. Lassiter.

The Prime Minister—Gentlemen: Perhaps you will allow me, on behalf of my colleagues, to welcome you, the representatives of an important American mission, to a meeting with the British War Cabinet. It is a very significant occasion were it only for the place where the meeting takes place. I do not want to rake up the unpleasant past, a past especially unpleasant for us though not for you. It was in this room, I believe, that Lord North engineered some trouble for America, but a great deal more trouble for himself. It is a great source of delight and satisfaction that in this very room where we committed a cardinal error, which

has ever since been a lesson to us, a lesson which has borne fruit in the British Empire such as it is, that we should have representatives of your great country here to concert common action with us for the liberties of the world. This is purely a business gathering. You have come over to this country to do business, and I have heard from inquiries I have made from various departments how hard you have been working during the few days you have been here to transact your business with the various departments with which you are concerned.

You will permit me just to give a general sketch of where I think your great country could render most effective service, especially in the immediate future, to the cause to which it has committed itself. We have been three and a half years in this war; we had a great navy; we had a small army, and we were treading unaccustomed paths. We have made mistakes, as we were bound to make, because it was an unexplored country. That gives us an advantage in any conversation we may have with you who are just beginning now, as we were three and a half years ago. In fact, the conditions under which you are beginning are more like our own than those of any other allied country. Others of our allies had great armies. We had a small army and we had to create out of nothing the very great army we have got at the present moment. Had we known as much then as we know now, it would have saved a great deal of time. Therefore, you have got the benefit of our experience, because you have witnessed the mistakes we have made.

I am sure you will forgive me if, from the point of view of one of the Ministers of this country who has been in office for three and a half years, I were to give you my views as to the best help which America can render, and give it more or less in the order of urgency. It is rather difficult to do this. All the things which are wanted for the efficient conduct of the campaign are urgent, because, naturally, the sooner you are ready the sooner it will

be over. But there are one or two things which are more urgent than others. After a good deal of consultation with my colleagues and our military and naval advisers I should put man-power and shipping as the two first demands on your consideration. I am not quite sure which I will put first. I am not sure that you can put either of them before the other, because they are both of the most urgent importance; but if you will permit me, I should like to say a few words upon each.

THE RUSSIAN COLLAPSE

Take first of all the question of sending men over into the battle line as soon as you can possibly train them and equip them. I will give you the reason why that is extremely urgent, and I do so after consultation with the Chief of the Imperial General Staff (Sir William Robertson), who supplied me with the necessary information. I need hardly tell you that this is a very confidential gathering and, therefore, I am able to speak more freely than I would if I were present at a public gathering. The collapse of Russia and of Italy has changed the situation. There is in addition to that the failure in the man-power of France, which I will come to later. That is second. The two dominant factors are the collapse of these two great countries. I have not got the exact figures at the moment by me, but I have no doubt that the Chief of the Imperial General Staff will supply them—the figures of the number of divisions held by Russia on the Eastern front. In addition the Russians are holding a very considerable number of Austrians as well. But you have chaos in Russia. The Russian military power has disappeared, and I do not know whether there is now anything to prevent the Germans going right through, except the fact that Russia is a difficult country to march into and it is a bad time of year. The Russians are much more concerned with their own troubles than with facing the foe, and with regard to one section of them, at all events, I am not at all sure that they are not better disposed to the

Germans than they are to the Allies. In fact, there is much ground for suspicion that some of the leaders are more or less in the pay of Germans. That means that, at the moment, if Germany were either pressed on the West, or if Germany chose to exercise pressure on the West, either in Italy or in France, she could take certainly thirty or forty of her best divisions and hurl them on the West without any detriment to her position in the East. That is the position in Russia.

The position in Italy is not as bad. The nation is fairly united there, but the Italian Army has lost pretty nearly half its equipment, certainly in guns. It has lost between 200,000 and 300,000 men, and it cannot stand up to the foe without very substantial assistance from France and England, and both these countries at the present moment are engaged in pouring into Italy as rapidly as the railways will carry them some of the very best divisions from France and from Flanders. They have to do that, otherwise the whole of the Italian power will collapse and Italy might be ruled out of the war. The bearing of that you will see for yourselves. Then France herself is very largely exhausted. There will be a considerably fewer number of divisions next year than there are this year, and if you were to work the sum out it might work out something like this: That the Germans may be able to put 600,000 more men on to the French and Flanders front next year and we might have 600,000 fewer men. There is a superiority at the present moment on the Western front. Should that change take place you might not merely wipe out that superiority, but you might have a distinct inferiority in the number of allied troops confronting the Germans in the West. That shows that it is a matter of the most urgent and immediate importance that you should send to Europe next year, and as early next year as possible, as many men as you can spare, to enable us to withstand any possible German attack, apart altogether from the possibility of inflicting any

defeat upon them. It is better that I should put the facts quite frankly to you, because there is a danger that you might think you can work up your army at leisure and that it does not matter whether your troops are there in 1918 or 1919. But I want you to understand that it might make the most vital difference. So much for the question of man-power. You can see why I am putting that almost in the forefront.

BRITISH SHIPPING POSITION

The next point is shipping. It is obvious that it is no use having men and guns and equipment unless there are ships to carry these men and their supplies across the ocean. Our position next year will be that certainly we cannot spare a single ton to assist you in transport, and I will tell you the reason why. Not only shall we be unable to assist you in transport, but Italy and France will be crying out for more help, and you and ourselves, somehow or other, will have to do our best to try and help them. I tried to get the figures this morning. The Shipping Controller is here and he will tell me if this figure is correct. Sixty per cent. of our shipping is engaged on war service, on purely war service, for ourselves and our allies. In order to show the extent to which we are helping the Allies, 2,600,000 tons of our shipping are devoted exclusively to help the Allies—France, Russia and Italy—more especially France, and half the time of 2,300,000 tons of shipping as well. Now we are a country more dependent on imports than probably any other great country in the world. It is a very small country—as you have probably observed in crossing—a very small country and a very thickly populated country. We only grow about one-fifth of the wheat we consume. We are dependent on what we get from overseas for the rest. I am not sure if we cultivated every yard here that we could be self-supporting. We might. The climate is an uncertain one and if you had a very good harvest you might; on the other hand, you might not get a good

harvest. Taking the barest essentials not merely of life but of war, we have also to import a good deal of our ore and other essential commodities. Further, our exports have almost vanished, except war exports.

LOSS OF TRADE

I should like our American-friends to realize this, that the trade of this country is largely an international trade. We manufactured for the world and we carried especially for the world, and we did a good deal of financing for the world; that is practically gone. We have stripped to the waist for war. Such exports as there are we have only kept alive, because they are essential in order to enable us to finance certain essential imports in certain parts of the world. Our trade, you might almost say, has completely gone except in so far as it is essential to war. We were very dependent upon our shipping, not for bringing goods here but because it was part of our business. The business of the big shipowners was part of the business of this country, and we carried for ourselves and we carried for other lands. There were ships of ours which never came home to this country. We were a people who lent ships and traded in ships. Now the Shipping Controller has brought them home from every part of the world. Why? We have been getting rid of our business because we want it for war and to help not merely ourselves but to help the Allies. I am not sure it is sufficiently realized outside—the extent to which we have put our trade, as it were, into the war. We have risked it all on this great venture.

As for imports, our imports the year before the war were 54,000,000 tons. This year they will be 34,000,000 tons. Next year we must bring them down to 26,000,000 tons; that is, our imports will be about half what they were the year before the war. But what will these imports be? They will only be imports essential for food, for clothing and for the munitions of war. We are cutting down everything else. Luxury has gone, as far as imports are con-

cerned, and next year we shall probably find it necessary to cut down even our food imports by 2,500,000 tons and I am afraid we shall probably have to cut down our munition imports by 1,500,000 tons, because, though we are getting the submarine under and are doing our best to build as hard as we can, still the losses up to the present have greatly exceeded the gains. The losses of our allies have been very heavy also, and neutral shipping, upon which we were dependent to a considerable extent, has suffered severely—has suffered more severely in proportion to the number of ships put to sea, because they are not in our system of defense and, therefore, they are just like sheep for the slaughter. They are without any protection at all.

FRENCH SUFFERINGS

The result is we shall have to cut down what this year we thought was a minimum by several millions, and we are prepared to do it. We shall have to ration not so much for ourselves but because the French production of food is down to 40 per cent. of what it was before the war, for the simple reason that the peasants who cultivated the soil are now shouldering the rifle instead of following the plow. They are defending their land and the land is meanwhile getting weedy because the men are not there. The women are doing their best in France, the old women and the children are working, but the soil is getting impoverished and, therefore, we have got to pool our luck. We could have got through with stricter rationing ourselves, but we cannot do it because we have to divert our wheat in order to save the French and save the Italians—to save the Italians from actual privation.

I met the correspondent of *The Times* in Paris the other day and he said to me: "I have just been through parts of France. I went to a village where they had had no bread for days." If that had happened here, Lord Rhondda's head would have been put on a charger and probably mine with it, too. The

only remark that this correspondent had heard was: "Well, we are very patient people." As M. Clemenceau remarked to me, that is the reason why we have revolutions in France, which is a very shrewd observation. They are very patient people really, in spite of their occasional outbursts. They are holding on with great fortitude and there is not a single thought of giving in. The Government that proposed to give in would not last twenty-four hours. In spite of the gigantic losses they have sustained and of the privations they are facing, France is as resolute and determined as she ever was. We feel it an honor to pool our luck with her and we have agreed to do it.

Now what does all this involve in the way of shipping? It means that we should do as much as we can in the way of shipbuilding, and it means that you have to do more. You are an infinitely bigger industrial country than we are, and what the United States can do when she really takes anything in hand is something which will, I think, astonish the world, and we should very much like it if your great country can add next year 6,000,000 tons to the shipping of the world. And taking your resources into account, the readiness with which you adapt yourselves to new conditions, your great gift of organization and your unlimited production of steel, I should have thought that that was something which you could achieve.

Under this head the other thing we would press you for is that you supply us, if you can, with 2,000 tons a month of steel plates, and if you could also help Canada with steel plates and also help to finance her shipbuilding, then

she could contribute very materially to the output of shipping.

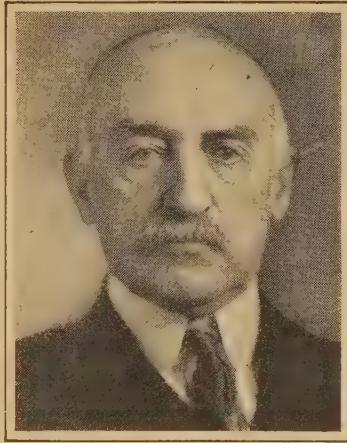
To summarize what I have said as to the most important spheres in which the United States can help in the war: The first is that you should help France and her allies in the battle line with as many men as you can possibly train and equip at the earliest possible moment, so as to be able to sustain the brunt of any German attack in the course of the next year; and the next point is that you should assist to make up the deficit in the shipbuilding tonnage of the year by extending your yards and increasing shipbuilding at an unexampled rate.

Just one word about the Navy. May I here say how much we are indebted to the United States Navy for the prompt assistance which it rendered earlier this year in helping to combat the submarine menace, and the success which has been

achieved in dealing with that menace is attributable in no small measure to the most effective assistance which the Navy of the United States rendered at a critical juncture. I want to tell you how invaluable your torpedoboat destroyers and other craft have been, not merely in protecting ships, but in helping to keep this menace under. I understand that you are building on a very great scale. I have no doubt at all that Admiral Jellicoe has already given to Admiral Benson his views as to the priority

and as to the relative urgency of the various craft which he is very anxious the United States of America should bring to the common stock—destroyers or craft for submarine work, mines and minelayers, and so on, down to light cruisers.

There are only one or two other



ADMIRAL W. S. BENSON
Chief of Operations of the United States Navy, one of the ten members of the American Mission who conferred with the British War Cabinet on Nov. 20, 1917

points which I should like to mention. One is on the subject of airplanes. Anybody who has watched the war from the commencement of this campaign must realize how vital the command of the air is to us. In the battle line it is as essential as the command of the sea. If we lose the command of the air our artillery becomes ineffective, and although I do not mean to say that we should not hold our own—we should hold our own to a very considerable extent—anything in the nature of progress, of beating the enemy and driving him back, would be absolutely impossible, and therefore the command of the air is essential to victory. We have managed to more than hold our own, but with great difficulty. The manufacturing resources of France and of England and of Italy have been strained to the very utmost. Germany is undoubtedly, according to our information, making the most prodigious effort. Their airmen are becoming more enterprising, and it looks as if they were making a real effort to wrest the command of the air out of the hands of the Allies, because they understand how very important it is in this struggle. You have undoubted advantages in the creation of a great air fleet. One is your great manufacturing resources. I understand that you have invented a very efficient machine. Not merely have you got very great advantages in your manufacturing resources, but I think you have very great qualifications in the equipping of your machines. Your people have got more, I think, than the usual share of enterprise and of daring, which are essential qualities in a successful airman. I should have thought that an

American naturally would make a first-class fighter in the air, because of those qualities of enterprise and dash and daring which are associated with your race and which you have displayed on so many battlefields both in peace and in war. The other point is that your climate lends itself more to an air service than ours. There are not so many days in the year that we can go up here. Ours is a much more uncertain climate. You have all sorts and varieties of climates; where the climate is bad in the North it may be good in the South and the East and the West. You have a greater choice in that respect for your training grounds.

We are depending very largely upon what you are going to do with regard to aviation. In this respect very great hopes have been aroused in all the allied countries, and I



GENERAL TASKER H. BLISS
Chief of Staff of the United States
Army and member of the American
Mission at the conference with the
British War Cabinet on Nov. 20,
1917

would very respectfully urge that you should turn out the maximum output of airplanes which your ships can carry, consistent with transporting the largest possible number of men for the Army, which is first in urgency, because with the aviators of France and of England and of Italy and of America we shall then gain the command of the air. I do not believe Germany can ever recover if once she loses the command of the air. There is nothing which will more assuredly seal her fate than that.

The next point is guns. I need hardly dwell upon the importance of equipping your Army with guns. Those of you who have been watching the campaign, notably in Flanders, will realize that guns are essential to any progress. We require an overwhelming mass of artillery, which is the only means by which your men can advance without the most

hopeless slaughter. The more guns the fewer casualties, because they destroy the protection which the Germans have set up for their machine-gun men.

May I just say one word about food for the Allies? We are depending very largely on your great country for keeping the populations of these allied countries in Europe alive. Our grain fields one by one have disappeared. Russia, as a grain field, does not exist, because you cannot get the grain away. Most of her grain has to leave through the Black Sea, but that is now closed. We were very dependent on Russia, especially in the Summer season. Australia, although she has plenty of grain, it is not available because of the enormous distance which we have got to send our ships, and we cannot afford to do that. Therefore we are very dependent upon the United States of America and Canada, both in France and in this country. India is available, to a certain extent, for the feeding of Italy, but not altogether.

We owe you very considerable gratitude already for the help you have given us in financing the war and for the very effective assistance you have rendered with regard to the blockade—a most important part. But I have no doubt you can render us very much more assistance in the future. Anything in the nature of economic war against Germany is impossible without the active co-operation of the United States of America. With the help of the United States of America I think we can make it an effective instrument for the destruction of the power of this combination, which has organized its resources against the liberties of the world.

I thank you very much for listening

to what I have to say. I thank you still more for the effective assistance which you are rendering; for the eagerness and the earnestness with which you are throwing yourself into this great task; and I have no doubt that the United States of America, France, Italy and ourselves, and I hope eventually Russia—the great democracies—marching shoulder to shoulder, will be able to achieve their goal—the liberty of the world. I thank you very much.

ADMIRAL BENSON'S REPLY

Admiral Benson—I wish to thank you for the warm reception that we have received and for the very generous attention which has been paid to us since we have been here. We appreciate fully the opportunity given us to meet this powerful body in this historic room. Whatever may be the historical deeds to which you have referred, I am sure that we are all agreed that their execution

was bread cast upon the waters, as we are now come, with all the strength and vigor of the young and matured manhood, and with the experience reaped from the development of our own great country, we come to you with a strong feeling and desire to do all that is possible for the freedom of the world, so that every one may exercise the right of life, liberty and the pursuit of happiness. We particularly appreciate the necessity for the freedom of the seas. In order that the various countries of



OSCAR TERRY CROSBY
Assistant Secretary of the United
State Treasury and member of the
American Mission in 1917

the world may carry on their trade and may be of real assistance to each other there must be free communication, and that communication can only be carried on through the freedom of the seas.

Our mission represents various departments of our Government, and during our stay here we have each taken

up, with representatives of your Government, the subject that he has in hand, and we have all received the most careful consideration and attention. Everything has been thrown open to us to give us a true and correct idea of the situation as it exists, and as far as possible you have given us the result of your experiences gained during the past three and a half years. We have also, at home, followed as closely as possible the events as they have occurred during the progress of the war, and I believe a great many of us have felt that, sooner or later, we could come into it, and we have tried, as far as circumstances would permit, to anticipate and be prepared for it. Of course we are unprepared in many forms of equipment. But the time has come when we feel that we must get closer together, and we must follow a definite line.

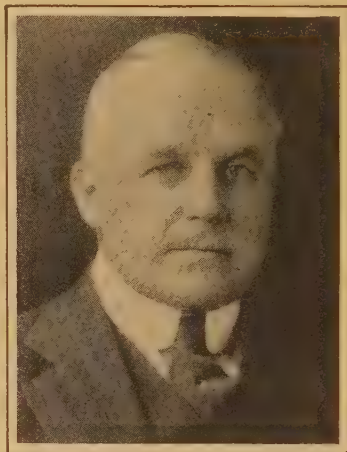
I think that most members of the mission have possibly as much as they can get in the way of information, and now we feel that if we can get a definite plan for the future, and the methods in which these plans will be executed, I can assure you that our country is heart and soul in this war. None of our resources will be spared, our men or our ships. Our country is absolutely united behind the President in this cause. I think I am justified in saying there is no exception anywhere. All sections of our country are absolutely united, not only united, but willing and glad to throw all of our resources into the struggle, and all that they want to know is: What is to be done? and feel assured that the plans that are being adopted are the best for the object to be attained. With that idea in view we are utilizing our resources as far as we can. We are building ships as

fast as our resources will permit. We are, of course, giving priority in our shipbuilding to the construction of destroyers, and we hope within the next eighteen months to have at least 267 of these vessels to add to the fleet. We are building 103 submarines, and hope to increase that number when the facilities will permit. Next in importance to the building of destroyers we are giving everything up to the construction of ships for the purpose of carrying cargo. We have practically given up the construction of capital ships, except those which are already under construction.

We are making now in our country what we believe to be the necessary sacrifices or restrictions in regard to food in order that we may have a larger quantity to be shipped abroad to the various Allies. I think it would

be hard for you to realize, bearing in mind the great distance from the real scene of action and without the actual experience, the willingness and the completeness of the sacrifices that the American people are making for the common cause.

In regard to aircraft, the promise of results in that line is very great, and we hope in January to be turning them out by hundreds per month, and by May or June by the thousand. We have developed an aircraft motor which experiments show to be even better than we anticipated. The reports received since we have been in London from the other side indicate that not only the shop experiments but the trials with the motor in the air, surpass anything we anticipated. It is the "Liberty" motor. We are, of course, utilizing all the suitable mechanical plants and industries of our country for this purpose, and we hope that by May or June we will be turning



VANCE C. McCORMICK
Chairman of the United States War
Trade Board and member of the
American Mission in 1917

out several thousand aircraft per month. With regard to guns and other equipment we are, of course, building them in large quantities, especially the small type of guns, 4-inch and 5-inch for mounting on ships, in particular the large size destroyers, which are good, seaworthy vessels, and have a speed of 35 knots. I have received a message this morning that one of these vessels will be dispatched within a few days to this side. The trials have been most satisfactory in every way.

We are handicapped to a great extent by the lack of forgings, but that situation will be greatly improved later on. In order to increase our output in all the various requirements for this war the United States Government has expended immense sums of money in duplicating or increasing very largely all the various kinds of plant. Millions of dollars have been spent in building up shops and foundries, and where the private companies were not able to meet the situation the Government has come to the rescue in order that all our material and all our mechanics might be utilized to the utmost in producing what was required. Nothing has been left undone to put into proper shape all our resources, and I think there can be no question in regard to that. I would like you to feel, and I would like to impress upon you as earnestly as I can, the sincere and earnest feeling there is in our country and the unanimity and the firm resolution to hold on until the very last. I appreciate the great honor I have of addressing this body and of meeting in this room. I thank you for the cordiality of our reception.

Lord Derby, in reference to Admiral Benson's statement, in which he referred to the fact that 4,300 airplanes per month would be produced by June, 1918, inquired if pilots would also be trained for that number of machines.

Admiral Benson stated that this was so, and explained that several training camps were under construction which would enable the output of trained air-men to be still further increased. He instanced that upward of 2,000 aviators were being trained in France, where ten stations were being established, while five were being installed in the United Kingdom.

Lord Curzon inquired if the figure of 4,300 implied complete machines with engines and all fittings.

Admiral Benson stated that this was so.

Mr. Barnes asked Admiral Benson if the figures in regard to carrying ships were promising.

Admiral Benson said that it was quite recognized that the principal factor in the whole of American cooperation was that of shipping, and that without ships it was impossible for men or material to be transported from the United States. For details he referred to Mr. Colby, who had full information on the subject.

Mr. Colby asked if information was required as to tonnage actually under construction.

Mr. Barnes explained that what he wanted to know was what amount of tonnage would be available for the common pool, say, in two months, three months and four months time.

Mr. Colby stated that according to the most recent estimate he had received, by



BAINBRIDGE COLBY
Representative of the United States
Shipping Board on the American
Mission in 1917

May, 1918, the output of ships per month would be 300,000 tons gross, while by Dec. 31, 1918, the total amount of shipping completed would amount to 4,600,000 tons dead-weight. By May, 1919, this total would rise to 6,104,000 tons deadweight.

Mr. Barnes said that, as regards the more immediate problem to be faced, he would like to know the figures for the month of May, 1918.

Mr. Colby, in reply, stated by the first of March, 1918, there would be launched 754,000 tons dead-weight (equivalent approximately to 500,000 tons gross). To express the future in terms of vessels, the following was the estimate of output:

	Vessels.
November, 1917.....	14
December, 1917.....	27
January, 1918.....	33
February, 1918.....	36
March, 1918.....	39
April, 1918.....	55
May, 1918.....	69
June, 1918.....	99
July, 1918.....	116

He agreed with Admiral Benson that the main problem was how to cope with the shortage of tonnage, both for individual, national and joint needs, and it was a mere truism to say that every need or necessity finally could be reduced to the question of tonnage. It was impossible to send over steel for construction, men to fight, or grain to feed the men, without shipping. He pointed out that the tonnage at the disposal of the United States Army at the moment amounted to 850,000 tons, while that at the disposal of the United States Navy was 150,000.

Mr. Balfour asked how many men the

United States Government would be able to put in the field of operations in France.

Mr. Colby replied that by Jan. 15, 1918, there would have been conveyed to France one army corps, in addition to the United States troops already in that country, but that this army corps would not be completely equipped and would not have all its transport animals. According to his estimate the tonnage available would enable the United States to maintain 220,000 men in France.

Mr. Bonar Law inquired to what extent shipping had been taken away from the ordinary trade of the United States.



DR. ALONZO E. TAYLOR
Representative of the United States
Food Controller on the American
Mission in 1917

SHIPS DIVERTED FROM TRADE

Mr. Colby replied that as much tonnage had been diverted from the trade of the country as had been the case in Great Britain, in fact, as much as it had been possible to divert. Of course, some trades were essentially war trades, which could not well be cut down, such as the import of nitrate, which was used for explosives, and the export of certain commodities for the maintenance of credit essential to the purchase of war necessities; but, with the exception of maintaining such war trades, the United States Government was making absolutely no effort to keep up the general trade of the country. *Mr. Colby* instanced the fact that the United States had relinquished a great portion of her Pacific Coast trade to the Japanese, and had indeed transferred a steamship line, which ran to Hawaii, to the Atlantic. There were only two sources from which tonnage could be drawn at the present time: (a) That be-

longing to neutrals; (b) Enemy tonnage interned in South America. The only other method of obtaining ships was to build them. From the information he had received from the departments in this country, he gathered that the British were constructing from 125,000 to 150,000 gross tons per month, while in the United States they expected to attain a total of 300,000 gross tons per month. This did not seem to be in excess of the destruction being effected by submarines, and he felt that for some time, at least, the action of enemy submarines must reduce the amount of tonnage available.

Lord Milner drew attention to the fact that the estimate of future losses by submarines was excessive, and in calculations recently made by a committee, of which he was Chairman, the average of the figures for September and October had been taken as holding good for the future, giving an average of British losses of 225,000 gross tons per month.

Mr Colby said that in regard to the subject of the employment of neutral tonnage there seemed to be some lack of perception between the authorities at Washington and the Ministry of Shipping in London. In mentioning this he did not wish it to be thought that there was on his part any suggestion of disapproval or criticism of the action of the Minister of Shipping, from whom he had received the greatest friendliness and the maximum of information on all points, but he considered that there was a lack of mutual understanding as to the proper handling of the problem, which might be remedied with great advantage. In the United States they

were holding a number of neutral ships belonging to Norway, Holland and Denmark, and the High Commissioners for those countries in the United States were busy negotiating in reference to the release of these ships and the relaxation of the Allies' embargo. At the same time the British Government had

concluded separate arrangements with the Governments of Norway, Holland and Denmark. The result was that there was some misunderstanding between the United States and British Governments, which was the cause of great delay in obtaining the use of this neutral shipping, which, at the present juncture, was a vital matter. Mr. Colby instanced that there were 400,000 tons of Dutch shipping alone which had been lying idle in New York Harbor since July. He suggested, as a practical meas-

ure whereby the Allies might at once make use of this tonnage, that a pool for all neutral ships should be formed, from which the British and United States Governments should each take 50 per cent. Having agreed upon this decision, the two Governments could afterward discuss the actual employment of the tonnage so placed at their disposal.

Lord Reading inquired what amount of neutral tonnage was being employed by the United States Government, apart from the ships which were lying idle in American ports.

Mr. Colby explained that there was a certain amount, but the charters of these vessels would shortly expire.

Mr. Balfour reminded the conference that the subject of imports touched upon that of blockade and suggested that Lord Robert Cecil should give his opinion on the subject.

Lord Robert Cecil said that he was in



THOMAS NELSON PERKINS
Representative of the United States
War Industries and Priority Board
on the American Mission in 1917

agreement generally with the views set forth by Mr. Colby, but he went further and thought that a partial solution of the shipping problem was that the whole of the tonnage available to the Allies should be employed in common. As regards Norway, Mr. Colby's statement was correct. As to the agreement with Holland and Denmark, that touched upon a very small part of the whole subject. In regard to the greater part, he hoped that the United States Government would assist the British Government by requisitioning the Dutch tonnage in United States harbors. He considered that the tonnage situation at present was vital and the question of the provision of ships to carry on during the next two or three months governed everything. He much regretted that there should have been any misunderstanding, but agreed that there was some suspicion on both sides that each country was inclined to look to its own future instead of the future of the alliance. He submitted that there was only one way in which the matter could be dealt with satisfactorily, and that was the whole tonnage of the world should be pooled and all devoted to the essential purposes of the war.

The Prime Minister asked if Lord Robert Cecil meant all shipping.

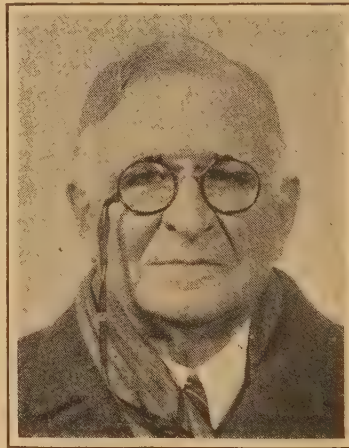
Lord Robert Cecil replied that he did, and that there should be international cooperation of the nature alluded to by the Prime Minister in his speech of the previous day in regard to the military sphere of operations. He considered that whole-hearted cooperation was even more important economically than it was militarily.

Mr. Balfour asked if there was not some slight contradiction in terms be-

tween what were known as the blockade and tonnage policies.

Lord Robert Cecil agreed that there was. He said that the question was one of vital importance from the blockade point of view, since it was necessary to put pressure upon neutrals to prevent them sending supplies to Germany. If the power in the possession of the United States was employed to get tonnage from neutrals and nothing else, the chance of using that weapon to make the blockade more effective would disappear. He did not regard the importation of food into Germany as being so serious as the import of minerals, which, from Norway and Sweden, was of great assistance to the Central Powers. He did not think that the power to reduce these imports should be sacrificed to obtain tonnage merely without further trade restrictions.

Sir Joseph Maclay gave his opinion



PAUL D. CRAVATH

Legal Adviser to the United States Treasury and member of the American Mission

that there was really no serious disagreement in regard to tonnage between the view of the British and United States Governments, and that there would be no difficulty in adjusting whatever misunderstandings existed. He agreed that there had been some mutual suspicion, but he thought that he had satisfied Mr. Colby as to the bona fides of the British, giving as an example the case of the employment of ships going East to carry goods. In regard to the pooling of all shipping there was a

distinct difference of opinion, and he had gathered that Mr. Colby was against the formation of an interallied pool and in favor of close cooperation in working. It was not to be forgotten that it was not merely a matter between Great Britain and the United States, but that France and Italy were also concerned.

AMERICAN SHIPPING PROPOSAL

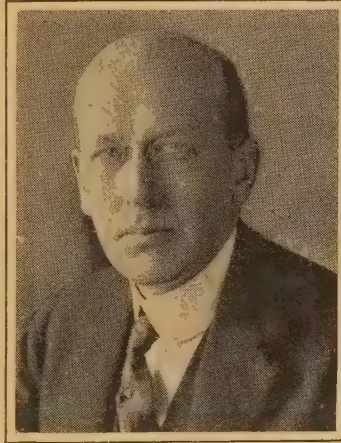
Mr. Colby said that he agreed in the desirability of establishing a pool, but did not think that it was a practical proposition. He thought that the only practical step was to establish a Shipping Board in New York and a Shipping Board in London, which would be connected by a cable commandeered for their use alone. These boards would work in intimate touch with each other, and, by their mutual action, unity of direction in all problems of the employment of ships would be established. He considered that otherwise, if a pool were established, the surrender of ships by one nation to another would be unpalatable and difficult. In regard to neutral tonnage, he was quite sympathetic with Sir Joseph Maclay's point of view, having experienced similar difficulties on the other side of the Atlantic. He thought that it would be reassuring to the United States if a termination could be put to a discussion which had continued for months by sweeping away the whole question of neutral tonnage by a mutual declaration that Great Britain should take one-half of what was available and the United States keep the other half. He considered that the arrangement in regard to Danish and Dutch tonnage was weak. The main thing, in his opinion, was to avoid delay in employing the vessels.

Mr. Barnes asked how much neutral tonnage there was in the United States ports.

Mr. Colby informed the conference that there were approximately 750,000 gross tons of neutral shipping in the

United States ports, as much as was at the disposal of the United States military authorities, or would be constructed in the United States by April, 1918.

Mr. McCormick, as an instance of the efforts being made by the United States Government to obtain tonnage, quoted the case of the negotiations which had been proceeding between the United States and Japan in regard to an exchange of steel plates, which were badly required by Japan for Japanese shipping to be employed in the Atlantic trade. In regard to the suspicions which had existed in the matter of the employment of British ships, he quoted the case of the Blue Funnel Line, which had been employed in the Pacific. As to policy, he agreed with the view of Lord Robert Cecil, and thought that it was essential for both



GORDON AUCHINCLOSS
Assistant Counselor of the State
Department and Secretary to the
American Mission

sides to put all the cards on the table and treat the shipping problem as a whole. If it were to devolve upon the United States to transport and maintain their army in Europe, he could quite understand the desire of the United States Shipping Board to retain one-half the Norwegian shipping. For them the alternative to obtaining tonnage from outside was to maintain a small army alone. In regard to the maintenance of 1,000,000 men, however, neutral tonnage played a very small part.

Sir Joseph Maclay explained that the reason why vessels of the Blue Funnel Line, which originally ran to Vancouver, had been employed in the Eastern seas, was that they had been sent out to convey coolies from China to France, which was a war purpose, and not a trade operation.

Mr. McCormick instanced this explanation, which he at once accepted, as an example of how easily such questions would be settled if a joint organization to handle the subject of shipping existed.

SETTLING ANGLO-AMERICAN DIFFERENCES

The Prime Minister gathered that there was still some difference of opinion, and considered, if that were the case, that the matter should be cleared up once and for all before the United States Mission left the country, and proposed that a small committee should meet that afternoon to consider the matter.

It was decided that—

A committee should meet at 4 o'clock that afternoon to consider and settle the question of the best use to be made of the neutral shipping available to the Allies, this committee to be composed as follows:

Lord Curzon
Lord Milner
Lord Robert Cecil
Sir Joseph Maclay
Mr. McCormick
Mr. Colby
Dr. Taylor
Mr. Perkins
Captain Clement Jones
(Secretary).

Lord Northcliffe pointed out to the conference that he had been in the United States for five months and quite agreed that there had been considerable suspicion as to our motives. He considered that it was natural that such suspicions should exist, if it were borne in mind how far removed from the war the inhabitants of the United States were and how ignorant of the war they were—very largely owing to the fact that they were not supplied with information and facts from this side. He

was, therefore, not surprised that there was not full appreciation of the great extent to which the trades of the British Empire had been sacrificed for war purposes. He suggested, as a practical and partial measure, that Sir Albert Stanley should meet the members of the United States mission before they left London and explain to them categorically how many British trades had been absolutely killed, owing to the necessity of conducting the war.

Mr. Crosby agreed that possibly the public in the United States did not understand the situation, but those responsible did. He added that for many reasons the United States Government, especially the Treasury, would have preferred that these trades, for economic reasons, had not been killed.

Mr. Balfour pointed out that within the reference to the small committee just appointed to consider the best use to be made of neutral shipping would come the question of exchanging the present power of the United States to enforce an embargo.

Mr. Colby alluded to the fact that the Danish agreement had been subscribed to by Great Britain, France and the United States, and that it amounted to a fifty-fifty proposition. The matter had been settled, but the settlement was now held up—not owing to difficulties between Norway and the United States, but owing to

difficulties between Great Britain and the United States.

Lord Robert Cecil was of opinion that the United States Government was so anxious about neutral tonnage that they were desirous of getting it at all costs. 2, Whitehall Gardens, S. W., Nov. 20, 1917.



BRIG. GEN. W. LASSITER
A former military attaché at the American Embassy in London and one of the ten American representatives at the conference with the British War Cabinet on Nov. 20, 1917

The United States the World's Banker

By GEORGE WHEELER HINMAN, JR.

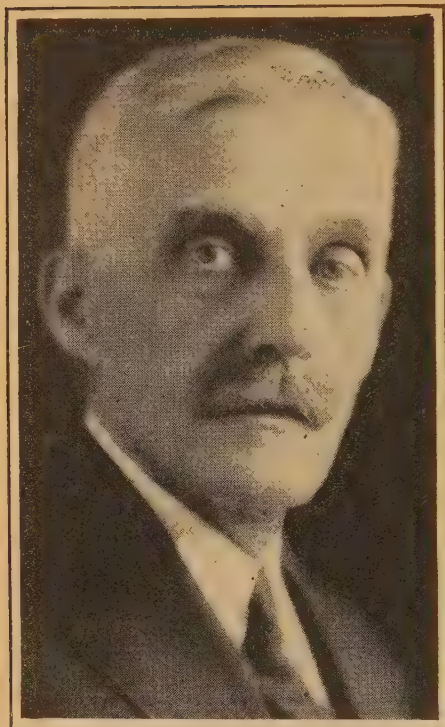
Newspaper Correspondent with Headquarters in Washington, formerly Officer Attached to the War Department

ALTHOUGH pursuing no policy of economic or financial imperialism, can the United States hope to defy the precedents of world history? Can there be world-wide investment without world-wide political consequences? These questions become increasingly insistent as we realize that a total of more than \$21,000,000,000 of American wealth is invested in foreign Governments and foreign enterprise. Of this enormous amount, \$12,000,000,000 is represented by the debts of foreign Governments to the United States Treasury. The remainder, estimated officially at between \$9,250,000,000 and \$9,500,000,000, consists of private credits and actual property holdings abroad. The significance of the total is indicated when it is stated that \$21,000,000,000 represents more than the entire national wealth of all Canada, or twice the national wealth of Belgium, or one-tenth of the entire national wealth of the United States.

The \$2,000,000,000 of American investments abroad at the outbreak of the war consisted largely of direct holdings in Cuba, Canada, Mexico and elsewhere in the New World. Those holdings are only a small fraction of the present total, which is composed to a great extent of direct loans to Old World Governments and their subsidiaries. In a decade the financial relationship between the United States and the rest of the world was completely reversed. The United States became a creditor, instead of a debtor, nation. At the outbreak of the World War American investments abroad were more than balanced by foreign investments in the United States, approximating \$4,500,-

000,000, which in the course of the ten-year period fell off one-third, to about \$3,000,000,000. The decrease would have been even greater had it not been for the so-called "flight of capital" from precarious currencies in Europe to the sound gold values of America. Instead of paying interest on a net debit of \$2,500,000,000, the United States today is receiving interest on a net private credit of \$6,000,000,000. In addition, there are payments into the United States Treasury of interest on \$5,000,000,000 of the obligations of foreign Governments, while another \$7,000,000,000 of such obligations remain unfunded.

American assets abroad are, generally speaking, divided into these two great classes. The first, represented by the \$12,000,000,000 advanced to foreign Governments by the United States Treasury during and immediately following the World War, is unique in American history. Nor is there any prospect that the total will be increased, except as accrued and unpaid interest on certain portions of the principal add to the aggregate. The second great class—the investment of private capital—is growing rapidly and threatens to exceed in the near future the \$12,000,000,000 of governmental credits. In the second classification are two principal groups: (1) the loans to foreign Governments, provinces and municipalities, including so-called corporate issues guaranteed by governmental agencies; (2) the direct industrial investments in private enterprise. The relative importance of the two groups may be judged from the fact that, during 1924, foreign governmental securities



ANDREW W. MELLON
Secretary of the Treasury of the United States

publicly offered in the United States, totaled more than \$1,000,000,000, as against foreign corporate flotations aggregating \$133,000,000.

This ratio of governmental to private financing is in marked contrast to the manner in which foreign capital was invested in the United States during the period before the World War. As a new and undeveloped country, the United States from the start was a promising field for exploitation. The stability of the national Government and the incalculable wealth of natural resources constituted an ideal combination to draw European capital. As the years passed, greater and greater sums of foreign money were invested in the development of American industries. The advent of railroad construction and operation on an unparalleled scale after the Civil War attracted a large amount of European money. Nor was there

any compensating investment of American capital abroad. All available funds were urgently required for home enterprise. In every sense the United States from the beginning was a new country, an undeveloped country, a country rich in resources, and, accordingly, a debtor country.

PRICE OF DEVELOPMENT

The American people were called upon to pay heavily for the development of their untold resources. Not only did the United States import money capital, but also goods capital—rails for its new railroads, machinery for its new industries and other essential supplies directly chargeable to capital account. Higher and ever higher mounted the total of bonds and other securities held by foreign investors as a lien upon American property. Higher and ever higher mounted the interest charges which the American people had to pay each year upon these securities. Early in the '70s of the last century the ever-mounting toll of interest reached such a height that the annual payments exceeded the annual receipts of fresh capital from abroad. In other words, the amount received from abroad on capital account was insufficient to pay even the interest charges on already existing indebtedness.

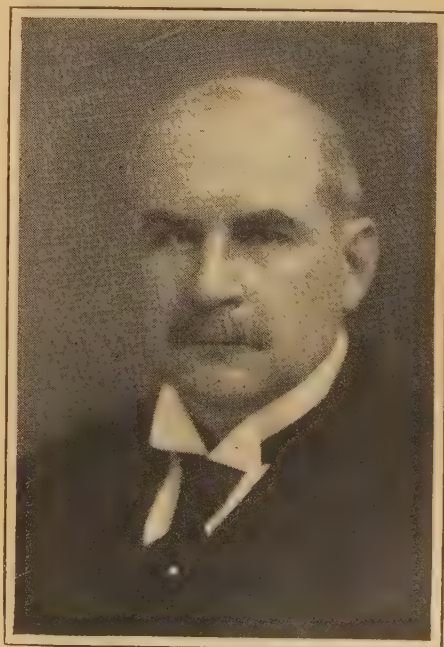
As a debtor nation, the United States was thus in the position of an enterprise which does not borrow sufficient money to be able to pay in cash the interest on debts already owed. If, however, the country was to retain economic independence, payments in some way had to be made. And in fact they were made. American exports sold abroad supplied the funds wherewith to meet the annual debt charges. In a sense, these exports represented "payment in kind." Behind the wall of the protective tariff the American people erected a great industrial machine. Not only did they begin to meet their own material capital requirements, but they produced a surplus for export. For half a century the American trade balance each year was almost always "favorable," that is, the

value of exports exceeded the value of imports. For the last generation every single year showed a "favorable" balance of trade. The American people came to accept the burden as a matter of course. The position of the nation as a borrower in the world's markets was quite generally recognized as the most important factor in determining the relation of exports to imports. Between 1896 and 1914, according to the best estimates, an annual average of \$160,000,000 in commodity exports went to the payment of carrying charges on American obligations held abroad.

EFFECTS OF WAR

The World War changed economic relations between the United States and the rest of the world; changed almost overnight. Exports boomed. Imports dropped. Foreign Governments, sorely pressed for funds, entered the American market for huge loans. The volume of foreign securities publicly offered in the United States during 1915 and 1916 soared to unheard-of heights. In 1917 the United States entered the war, and billions of dollars were poured from the United States Treasury into the depleted coffers of European Governments. Even after the armistice of Nov. 11, 1918, these loans continued, until Congress called a halt. Again the world turned to private American financial interests for funds. The flow of American capital abroad assumed such proportions that the Government at Washington interposed a general statement of policy and the expression of the hope that "American concerns that contemplate making foreign loans will inform the Department of State in due time of the essential facts and of subsequent developments of importance." The tenor of the official pronouncement was that the Government should be given the opportunity "to say whether objection to the loan in question does or does not exist." During the six-year period ended Jan. 1, 1925, approximately \$4,000,000,000 in American capital was loaned abroad, an aggregate double the accumulated total of American investments abroad at the outbreak of the war.

The most thoroughly planned and carefully executed campaigns were necessary to prevail upon the American people to invest their savings in foreign securities of which they knew practically nothing. At times, the highest Government officials and even the President of the United States took occasion to urge their countrymen "to assist in the necessary financing and relief of the Old World." President Coolidge laid emphasis upon the declaration that "sound business reasons exist why we should participate in the financing of works of business in Europe." In the same vein, he added: "It is a notorious fact that foreign gold has been flowing into our country in great abundance. It is altogether probable that some of it can be used more to our financial advantage in Europe than it can be in the United States. Besides this, there is the humanitarian requirement which carries such a strong appeal and the knowledge that out of our abundance it is our duty to help where help will be used for meet-



J. PIERPONT MORGAN
Head of America's greatest international
banking house

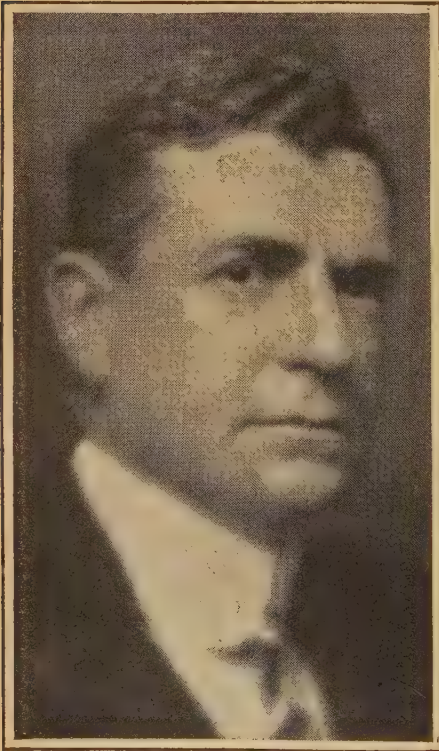
ing just requirements and the promotion of a peaceful purpose."

The financial stage was painstakingly set for the appearance from the wings of each new offering of importance. Banking interests were sounded in advance, and public opinion was coaxed into a receptive mood. When thought advisable, inspired news dispatches were made to emanate from the seat of the Government which was seeking credit. Then, as a final touch, each offering received an enthusiastic welcome whenever it appeared before the footlights. The cost of all these demonstrations constituted an appreciable charge against the credits involved. Financial authorities expressed regret that the expense of floating foreign securities in the United States was increased by reason of the fact that "American bankers believe that investors have not yet been imbued with the international idea." As one Ameri-

can investment expert put it: "When our nationals had money to invest it went into domestic projects that could be seen at all times, or at least could be studied at close range. It will no doubt take years for American investors to grow up to their new rôle of lenders to the rest of the world. Part of the cost of floating every foreign issue, therefore, must be charged to a general campaign of education. Bankers cannot sell a particular bond issue without first selling to the public the general foreign investment idea. The machinery for distributing a bond issue here has been geared up to a point where it is available to foreign borrowers only when they cannot get money elsewhere."

This matter of the high cost of obtaining credit in the American market was the subject of much study and discussion. Underwriters of foreign issues demanded large commissions, and the issues themselves were offered to the public at appreciable discounts. Bonds of great world powers were placed on the market at figures which gave an interest yield higher than that offered by speculative domestic securities. Even then they would drop below the original figures once banking support was withdrawn. It is axiomatic that the investor demands a rate of return directly proportionate to the risk involved in the investment. The obvious inference, accordingly, was that, despite each "general campaign of education," the American investor persisted in regarding dubiously these foreign offerings.

The assertion that this feeling of uncertainty was peculiar to the American investor, however, was open to question. There were indications that the nationals of the debtor Governments were demanding a high return for the use of their savings. In many instances European Governments were compelled to pay on domestic bond issues higher charges than on securities offered in the American market. The native, despite the spur of patriotism, was more exacting than the American investor. Then, too, the American investor discriminated among the bonds of different Govern-



CHARLES E. MITCHELL
President of the National City Bank of
New York

ments. He was, for example, more kindly disposed toward the securities of the New World republics than toward the issues of certain European nations. The 5½ per cent. bonds of an island republic in the Caribbean Sea were rated at almost par, while the 7s of a great world power of the Old World went begging at a 10 per cent. discount.

The discussion of European flotations is apt to cloak the remarkable growth during the last decade of investments by the United States in Canada and in Latin America. While more than half the new capital invested abroad during 1924 went to Europe, one-third was invested in the Western Hemisphere. Figures covering the four-year period ended Jan. 1, 1925, show that Canadian and Latin-American governmental credits obtained in the United States totaled almost as much as those to European States. So great was the volume of American investment in New World securities that the United States was accused of a policy of financial imperialism for the domination of the Western Hemisphere.

The matter of American loans in the New World has developed naturally and to a great extent as a ramification of the Monroe Doctrine. It presents a special phase of American investment abroad. In many cases the United States Government has participated in the negotiation of credit. Like the United States the other nations of the New World are rich in resources, and, as in the case of the United States before the war, have not available at home sufficient capital to develop those resources. The United States of today is in a position to finance this development. It is not the policy of the United States Government to make loans to other Governments. If the New World's financial needs are to be supplied from this country, the capital must be obtained from private sources. Private capital is not obtainable for loans unless there is reasonable guarantee of payment. Instability of government creates a risk which cannot be ignored. On the other hand, that instability often can be corrected only by economic bet-



CHARLES H. SABIN
President of the Guaranty Trust Company
of New York

terment, which, in turn, requires capital. In others, certain governmental receipts Government "endeavors by friendly advice to throw its influence against unfairness and imposition" and has at times "agreed to a measure of supervision in the maintenance of security for loans which otherwise would have been denied or would have been made only at oppressive rates."

"FINANCIAL ADVISERS"

The measure of this supervision varies in accordance with the nature of the particular problem. In the case of certain New World Governments American investors are quite willing to advance funds without any supervision whatever. In others, certain Governmental receipts must be pledged to secure payment of interest on the credit granted and ulti-

mately of the principal. In still others, an American is selected as "financial adviser" to supervise fiscal matters. Thus, by treaty, the United States has a special relation with Cuba, Haiti, Panama and the Dominican Republic. With the assistance of the United States American financial experts recently have been engaged by Colombia, Cuba, Guatemala, Honduras, Panama and Peru. Without such assistance Bolivia, Ecuador, Paraguay and Mexico have engaged Americans as financial experts.

Because there is a special political relationship, by token of the Monroe Doctrine, between the United States and the countries of Latin America, the governmental aspects of these New World financial transactions occasion little comment, except as from time to time the inevitable cry of "imperialism" is raised. On the contrary, the governmental aspects of the American credits advanced to Old World nations have a significance peculiar to the post-war period of international finance. Early in 1921 the highest officials in Washington began to manifest a keen and active interest in the flotation of foreign loans in the American market. The United States was passing through a period of business depression. A feeling of real concern apparently existed lest foreign issues drain off capital actually needed at home. The matter was discussed at a White House conference between the President, the Secretary of the Treasury and a group of the most conspicuous American financiers. Governmental concern over foreign credits continued, and, on March 3, 1922, the Department of State issued its memorandum entitled "Flotation of Foreign Loans."

This memorandum contained the official declaration of the department's belief that "in view of the possible national interests involved, it should have the opportunity of saying to the underwriters concerned, should it appear advisable to do so, that there is or is not objection to any particular issue." Accordingly, inasmuch as the making of foreign loans had a very important



Wide World Photos

CLARENCE DILLON

A member of the firm of Dillon, Read & Co., which handled the last big Japanese loan on the New York market

bearing not only upon American national interests but also upon relations between the United States and foreign Governments, the department asked to be informed by American bankers of negotiations relative to such loans. At the same time emphasis was placed upon the assertion that the department would "not pass upon the merits of foreign loans as business propositions, nor assume any responsibility whatever in connection with loan transactions."

Thus did the United States Government officially declare its solicitude regarding foreign investments. It avowed its interest in the uses to which foreign loans might be put. There was the wish that these credits "should be productive and not, for example, for militaristic purposes." The productive use of the loans was regarded as all the more important "in view of the economic condition of many foreign countries as a

result of the war." In compliance with the expressed wish of the Government, American financial interests adopted the practice of advising the Department of State as to contemplated foreign loans "with a view to ascertaining whether the Administration saw fit to interpose any objection to any given offering." The American people therefore had the right to assume that any credit publicly offered had been passed by their Government as unobjectionable. Even if the Government did not consider these loans as "business propositions," the fact that they had been sanctioned as a matter of policy carried great weight with investors throughout the country. Furthermore, there were the pronouncements of the highest officials that "it is the duty of our people who have the resources to use them for the relief of war-stricken nations and the improvement of world conditions." American investment in Old World securities was characterized officially as "very beneficial to American export interests by increasing the purchasing power of European countries and by stabilizing world exchange and business conditions."

GOVERNMENT'S DUTY

The American investor had thus some grounds for feeling that his Government sanctioned the issuance of the foreign securities in which he placed his savings. In case of untoward developments, he is certain to turn to those who not only declared these loans unobjectionable, but even urged him as a duty to invest. In such a contingency, what may he expect of his Government? The United States Government has the unquestioned duty to protect not only the lives, but also the property of its citizens throughout the world. These American investments abroad represent almost \$10,000,000,000 in private credits. Care must be exercised to avoid being misled by the blatant generalization that "Wall Street" or "the international bankers" have this property at stake. The financial interests through which these credits were obtained acted only as merchants, buying the securities and

then selling them to the investing public as quickly as possible in order to be in a position to repeat the operation.

The United States never has sought to promote American commerce and investment as a means of establishing political control of foreign peoples; but the growth of commerce and investment carries with it certain inevitable political implications. Foreign loans by American bankers do not involve a commitment to use the United States Army and Navy, if necessary, to compel payment. To quote President Coolidge: "American investors receive no assurances that their loans or agreements will be supported by American arms. It is not, and has not been, the policy of the Government to collect debts by force of arms." But, although there is no commitment to the use of force, there remains the duty of the Government to protect the interests of its citizens. There are many effective methods of affording this protection without recourse to the ultimate trial by arms. At the same time there have been instances—rare in American history, but frequent in the histories of other great powers—in which a display of force has had a salutary influence toward safeguarding imperiled investments.

Far-flung commercial and financial interests have invariably brought in their train certain political effects. In recent years Great Britain has been the outstanding example, the world's unquestioned leader in commerce and finance, with consequent political advantages in all quarters of the globe. It is significant today that the foreign commerce of the United States practically equals that of Great Britain, that the \$21,000,000,000 of American foreign loans and investments probably exceeds the value of British foreign investments, estimated at \$20,000,000,000. And so, again, the question is: Can the United States hope to defy the precedents of world history, although pursuing no policy of economic or financial imperialism? Can there be world-wide investment without world-wide political consequences?

Rebirth of the Southern States

Amazing Development Since the Civil War

By ROBERT WATSON WINSTON

Formerly Judge of the Superior Court of North Carolina

THE contention, fortunately seldom heard nowadays, that the old South is still alive is utterly fallacious. In warp and woof, in body and texture, the change is complete. Everything of the old South has disappeared—its manners and customs, its standards of value, its very civilization. What is infinitely more to the point, ninety-nine out of every hundred Southerners rejoice at the change. They have had enough of sectionalism; they want to take their place again in the nation's life. Abating nothing of their admiration of Southern valor during four years of unequal war, the people of "Dixie" indulge no vain repinings. The South's young sons in particular, with faces lighted by the rising sun, greet the new days.

That industrially the South was dead and is alive again no one will deny. The change from a one-crop system to manufacturing and diversified industries is a remarkable achievement. In the eleven seceding States prior to 1860 slavery was the foundation of society; manual labor was in disgrace; caste was the ruling passion. The basis of credit was agriculture. Cotton was king. The notion that Southern civilization was the best in the world and that slavery was of God held the South in a grip that seemed unbreakable. From the Missouri compromise of 1820 to the first gun at Fort Sumter slavery was the sole subject of discussion. Pulpits

sanctified it; the press proclaimed it. It was the theme of orator, statesman and poet. Senator Bob Toombs of Georgia declared that he would some day call the roll of his slaves at the foot of Bunker Hill monument; Governor McDuffie of South Carolina and various secession proclamations heralded slavery as the cornerstone of our republican edifice; to Mr. Davis it was established by the decree of Almighty God Himself. Slavery split every church, set brother against brother, destroyed the Whig Party, disrupted the Democratic Party, gave birth to the Republican Party, depleted the National Treasury and bathed the land in fratricidal blood. It was the underlying cause of three armed conflicts—the Seminole War, the Mexican War and the Civil War.

So busy were Rhett of South Carolina, Yancey of Alabama, Wigfall of Texas and other Southern statesmen in vindicating the constitutional right of slavery, the right to own and breed slaves, to import them from Africa contrary to law, to carry slavery into new territory as well as old, that there was no time left to consider such things as

Mr. Winston is an eminent Southern lawyer, who is also known as an author and lecturer. He was the centennial orator at the hundredth anniversary of the Supreme Court of North Carolina in 1920. For many years he has been interested in furthering a solution of the negro problem in the South and has written and spoken much upon this subject.

building roads, constructing bridges, factories and school houses, educating children, coining climate into dollars and harnessing water power. Slavery had become an obsession, the South a section inhabited by an isolated, peculiar and "persecuted" people, and all industries, except agriculture and a few scattered factories, languished.

DECAY UNDER SLAVERY—THE CONTRAST TODAY

To give a single example of this decay of industry, in 1790, when the first census was taken, Virginia, the leading Southern State, excelled New York, the leading Northern State, in respect both to population and commerce. In 1790 Virginia had more than twice the population of New York and was far more prosperous. Yet in a period of sixty years, to wit, by 1850, the curse of slavery had completely reversed the figures, as shown by the following figures:

	1790.	1850.
Virginia: Population...	748,308	1,421,661
New York: Population...	340,120	3,097,394
Virginia: Exports.....	3,130,865	2,724,657
New York: Exports.....	2,505,468	87,484,456
New York: Imports	About equal.)	399,004
Virginia: Imports		178,270,999

The decline in the commerce of Charleston during slavery days is even

more noteworthy. The foreign imports of this Southern city in 1760 totaled \$2,662,000; in 1856, only \$1,750,000. Contrasting the value of lands in North Carolina and New York, it will be seen that the average value per acre of land in New York in 1856 was \$36.97, while in North Carolina it was only \$3.06. In North Carolina today, however, the average value per acre of plow land is practically the same as New York, viz, \$52 and \$53 respectively.

Before the Civil War industry was so paralyzed in the South that this whole section, though favored with good climate and many other natural advantages was, with the exception of agriculture and a few factories, in a state of economic decay, a condition predicted by Washington, Jefferson, Madison and Robert E. Lee, as the result of slavery. Washington stigmatized slavery as cruel, wicked and unnatural; Jefferson characterized it as an abominable crime; General Robert E. Lee pronounced it both morally and politically wrong. Then came the Civil War and slavery was no more.

That the liberated South of today has taken a new lease of life, that it is making progress toward real prosperity, is shown by the following statistics:

CROWTH OF THE ELEVEN SECEDING STATES AND ALSO OF THE DISTRICT OF COLUMBIA, MARYLAND, OKLAHOMA, KENTUCKY, WEST VIRGINIA AND MISSOURI			
	1860.	1920.	
Population	12,203,157	36,306,855	
Property, true value (estimate).....	6,177,000,000	71,375,367,000 (1922)	
Manufactures:			
Capital	162,403,000	6,883,171,000	
Products, value.....	282,393,000	6,877,844,000 (1921)	
Cotton spindles		5,918,600 (1924)	
Mines and quarries:			
Capital	36,408,000 (1870)	2,296,851,389	
Products, value.....	11,913,000 (1870)	1,057,553,000	
Farm lands and buildings.....	\$2,521,802,000	3,098,842,000	
Cotton and seed.....	\$387,804,000 (1900)	1,720,000,000 (1923)	
Cotton bales (500 lbs.).....	4,308,000	13,366,000 (1924)	
Tobacco (in lbs.).....	375,280,000	1,046,886,000 (1924)	
Wage earners in manufacturing.....	183,000	1,596,000	
Wages paid in manufacturing.....	49,701,000	1,529,010,000	
Highway expenditures.....	Practically nothing.	292,000,000 (1923)	
Public education	\$12,000,000 (1880)	315,000,000 (1922)	

The growth of one of these States—North Carolina—is shown by the following figures:

surfaced roads are traveled by community trucks filled with school children who are being taught in farm-life

	1900.	1923.
Population	1,893,810	2,686,325
Property values	\$681,982,000	\$4,543,110,000 (1922)
Value of manufactured products.....	85,274,083	665,118,000 (1921)
Value of cotton manufactured.....	28,373,000	318,368,000 (1920)
Value of farm products.....	89,310,000	513,400,000
Bank deposits	16,757,855	345,142,000
Highway expenditures	624,381 (1904)	36,148,000
Public school expenditures.....	950,300	22,079,000 (1922)

In 1875 North Carolina's minor crops—peaches, strawberries, apples and the like—were almost negligible, whereas in 1924 the peach crop alone was valued at \$2,650,000; peanuts, \$10,706,000; apples, \$2,360,000; sorghum syrup, \$2,427,000; grapes, \$913,500; strawberries, \$2,151,000; green peas, \$580,000. The total value of all minor crops, including canned fruits and vegetables, was estimated at fully \$65,000,000.

It may be added that factories driven by hydroelectric power dot the mountain streams. North Carolina alone has developed 540,000 horsepower. Rivers are spanned by concrete bridges; hard-

schools, where Greek and Latin have been supplanted by agricultural chemistry, economics and sociology; where cattle judging, pig raising and seed selections are regular parts of the curriculum. Southern communities such as Atlanta, Birmingham, Charlotte, Chattanooga, Richmond, Miami, St. Petersburg, Winston-Salem, and hundreds of others, are more eloquent of progress than any words.

In this process of the death, burial and reconstruction of the South the Southern woman has done her part, on the farm, in the home, in offices and schools, in trade and commerce. In 1876 it was the Southern white woman



Ewing Galloway

One of the great industrial plants of the South—that of the American Zinc Company at Knoxville, Tenn.

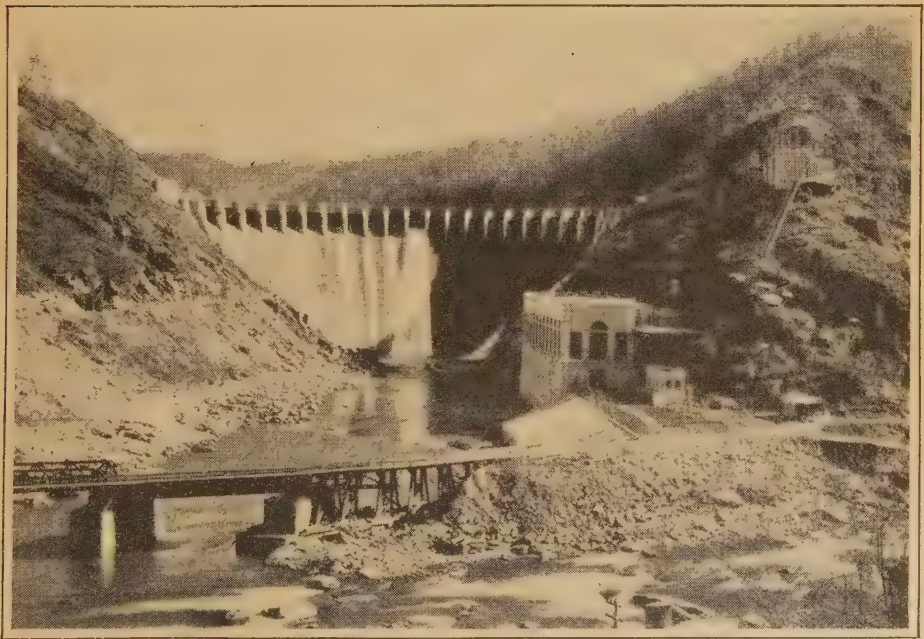
who broke up illicit relations between white men and colored women, thereby maintaining the integrity of the white race. In 1910 there were 20 mulattoes out of every 100, but only 15 in 1920. The Southern woman of today wages an everlasting warfare against John Barleycorn and against vice in general, and sets a wholesome example of thrift and economy.

Pullmans packed with men and women of the North, bound for the South, where \$250,000,000 was expended for hotels in 1924; homeseekers seeking an understanding of Southern problems; Southerners spending delightful Summers in the Berkshires and the Adirondacks; Southern men by the hundreds of thousands doing business in New York, Boston and Chicago; frequent marriages between the two sections; and great numbers of fine men, both of the North and the South, who are fellow-members of college fraternities or of one of the many larger social organizations, such as the Rotary Club, the Ki-

wanis, Civitan, Lions, Elks, Odd Fellows, Shriners, Masons, whose deeds are inspired by sentiments of brotherhood and charity and whose words are filled with love and cheer—all proclaim the birth of the New South and prove that the South of 1865, and even the South of 1905, is not the South of 1925.

HATRED OF NORTH DEAD

But in a larger sense the South of today is a new country: it has purged itself of hatred for the North and understands at last that there were two sides to the great Civil War. Until quite a recent date anger was aroused by Northern champions of abolition and hatred was kept alive by Southern "fire-eaters," who declared that nothing lay behind the movement to crush slavery except Northern selfishness. That Northern philanthropy and love of freedom were the real causes of Northern opposition to slavery the South considered ridiculous and defined the fundamental motive as hypocrisy and jealousy of South-



Ewing Galloway

Dam by means of which power is supplied to the plant of the Aluminum Company of America at Knoxville, Tenn. It is one of the highest overfall dams in the country

ern success. How could there be a doubt that slavery was right; did not the Bible and the Constitution both say it was? The appeal to a Higher Law was monstrous. Such, until recently, was the Southern point of view, but it remains such no longer. A mental catharization purified the South and cured it of its obsessions. In the dry light of reason the South has come to see that Washington, Jefferson, Madison and Robert E. Lee, each of whom freed his slaves, were right; that slavery was both a crime and a blunder, and that Mr. Davis,

Senator Rhett and Judah P. Benjamin of Louisiana were wrong in declaring it to be of God. And another thought has also come to the South—that there could have been no interference with slavery during Lincoln's term of office, and that there would probably have been no war but for the precipitate secession of the cotton States. True, any State of the Union had the abstract right to secede, a fact which the world has come to concede, but that in November, 1860, there was no justification for such secession the South now tardily admits.

On Nov. 6, 1860, the day Lincoln was elected President, the South was in the saddle, triumphant in the National Congress, in the judiciary, in the army and navy. In the House of Representatives the South had a clear majority of 21; in the Senate it had a majority of 8. Of the nine Supreme Court Justices it had eight, and also most of the



Ewing Galloway

Mines on a mountainside in Kentucky

high offices in the army and navy. The Dred-Scott case had just been decided in the South's favor, giving a constitutional guaranty to slavery, and John Brown had been hanged as high as Haman; while the most radical Northern States, such as Vermont, were agreeing to pass laws for the return of fugitive slaves. The election of Lincoln was admittedly fair and orderly; and yet in less than three days after Lincoln's election—four months, indeed, before he was inaugurated President—the cotton States prepared to secede from the Union, as Mr. Davis, Rhett, Yancey and other leaders had advised. The mere election of an abolitionist to the Presidency, said Mr. Davis, in his Jackson speech in 1853, should dissolve the Union.

No wonder "Alex" Stephens of Georgia declared that the seceders intended from the beginning to rule or ruin, that Senator "Matt" Ransom of North Caro-



Ewing Galloway

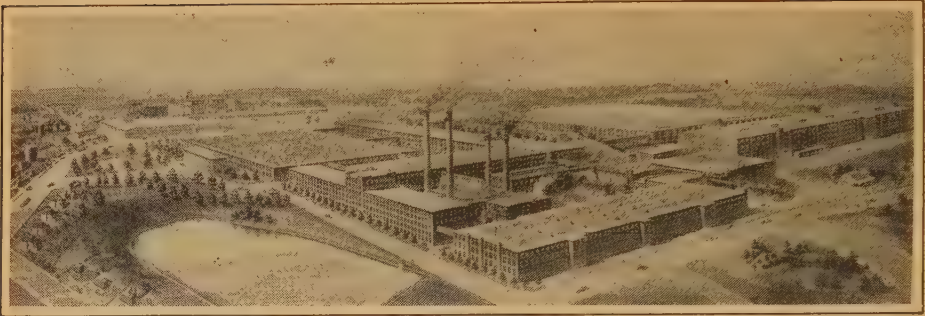
Unloading wheat in bulk at New Orleans, the grain being taken out of the hold of the barge by means of a suction pipe

lina prophesied that the dis-Unionists would ruthlessly run the secession line over the very grave of George Washington; and that The Richmond Whig, in January, 1861, declared that the South was "plunging into war for an abstraction"; that if the Southern States "had not run away they would have had both branches of Congress and Lincoln could have done nothing."

If Mr. Davis had not been captured, but had been suffered to escape, as William of Orange wisely allowed James II to do; if, indeed, Mr. Davis had not been roughly and unjustly dealt with, thrown into prison, turned into a Southern martyr; if Mr. Lincoln's first idea had been carried out, viz., that the old Virginia Legislature and other Southern Legislatures should peacefully assemble, so that State after State should quietly fall back into line in the old Union; if

abominable reconstruction laws had not been passed, Freedman's Bureaus created, the South cut up into military districts and put under negro and "carpet-bag" rule—the most execrated man in the South after the Civil War would undoubtedly have been the fire-eating secessionist Jefferson Davis, who was that war's immediate cause.

On account of unwise Congressional legislation, especially the attempt of "Thad" Stevens, Charles Sumner and Benjamin Wade, to commingle the black race and the white, the Southern heart, in 1868 and 1870, was fired as it had never been before, and Whig and Democrat, Know-Nothing and Constitutional Unionists, all united as one man. The sting of those times is not in the Civil War, but in the evil days that followed. Indeed, the Republican Party itself, which had saved the Union and legiti-



Cotton mills at Danville, Va., one of the largest plants of the kind in the United States

mately expected a long lease of power, lost in the early seventies on this Reconstruction issue. New York, Indiana, New Jersey, Delaware, Maryland, West Virginia, early repudiated the attempt to coerce their Southern white brother, while the Supreme Court at Washington stood firm against unconstitutional civil rights laws, drum-head courts-martial and other invasions of human rights. As the young Southern scholar of today reads some impartial history of reconstruction times he discovers that the heart of the North was never in the movement. So it has come to pass that not only industrially, but in its mental attitude as well, the South was dead, and is alive again.

SOUTH AWAKE TO NEGRO'S DESTINY

But what of the man who has been the cause of all the trouble—the innocent negro? As to him and the injustice which he endures, is the South really alive to its responsibility? The answer is emphatically affirmative. Not that the South is willing to give up its civilization to the negro or grant him social and political rights; but short of this, it will give him every protection. Recognizing the inexorable race law that the two races will surely blend if they live together on terms of absolute equality, the South, not in anger or malice, but deliberately, has put the negro down, and is keeping him down; has nullified the Fourteenth and Fifteenth Amendments and has deprived him of his civil and political rights.

This course seems to be one for which God Almighty will call men and Commonwealths to account. But no other course is possible, if the South does not wish to see its people transformed into a mongrel race.

Finding itself in this dilemma, the South, reversing its former policy, now declares that the negro should be encouraged to go elsewhere; go so far that no sister State will have more than its pro-rata share, viz., 10 per cent. The net value of a people who are mere hewers of stone and drawers of water to any country is small at best, and when the percentage of vassals to the overlords reaches the half-way mark there is no value whatsoever.

In the meantime and until the day comes when the ambitious, educated negro of the type of Dr. W. E. B. du Bois, the negro editor and author, understands and acquiesces in the Southern attitude toward the negro problem, the white man must do his full duty by his colored brother. Happily he is resolved to do so. Violence toward the negro is rapidly declining. Eight or ten years ago the average number of negro lynchings in the South reached sixty or seventy a year. In 1924 the number was sixteen. In States like Virginia and North Carolina an administration of four years often witnesses no mob violence. The result is a great improvement in the negro's condition, as is shown by the following figures:

The value of farm property operated by negroes increased from \$499,941,234

in 1890 to \$1,141,792,526 in 1910, or 128.4 per cent. The number of homes owned by negroes increased from 264,283 in 1890 to 506,590 in 1910. Twenty per cent. of the farms of the South are owned and rented by negroes, and in North Carolina alone the negro owns more than \$50,000,000 worth of property.

In 1920 the negro represented 9.9 per cent. of the total population of the United States. Of the agricultural work, he was doing 19.9 per cent.; of the domestic work, 31.3 per cent.; of the transportation work, 10.2 per cent.; of manufacturing, 6.9 per cent.; of mining, 6.7 per cent.; of the public service, 6.6 per cent.; of professional service, 3.7 per cent.; of trade, 3.3 per cent.; of clerical work, 1.2 per cent. In 1880 the negro was 70 per cent. illiterate; in 1920 he was only 22.9 per cent. illiterate. More than 500 schools, exclusive of public schools, are devoted to negro training. Under the Rosenwald Building Fund plan—one-fourth of the necessary funds are given by the fund and three-fourths by the State and by whites and blacks—2,565 school houses have been built at a cost of \$10,000,000. In 1919 there were enrolled, in connection with the Slater Fund for Industrial Education, 6,100 pupils, and in 1924, \$594,000 were expended. From 1890 to 1900 the negro population increased 18 per cent.; from 1900 to 1910 it increased 11.2 per cent.; but from 1910 to 1920 it increased only 6.5 per cent. The negro population in 1860 was 4,441,730; in 1920 it was 9,827,763. This record would seem to indicate that though socially the Southern negro may be a pariah and politically a slave, industrially, at least, he is free.

Taken all in all, however, the negro's position in the South must eventually prove no less harmful to the whites than to the blacks. The new vision of the South must come to fruition; the negroes of the South must be dispersed, not forcibly, as in the case of the Indians, but peaceably. If the North discovers that it is unable to handle the

influx of negroes, as seems to be the case in Chicago and other cities, then North and South alike must do the right thing by the negro. Give the negro a home, as Washington, Jefferson, Madison, Clay, Webster, Lincoln, Grant and Lee advised; make it so attractive that he will wish to go, whether that home is in the Caribbean islands, Jamaica, Porto Rico, Northern Africa, or, perhaps better, in Brazil, which is inviting 5,000,000 negro immigrants to come to its shores on terms of social and political equality.

NEGRO PROBLEM NATIONAL

North and South realize at last that the negro question is national, not Southern. When the black man asks the white man to provide a negro Fatherland, he will not ask in vain. Though the situation is one requiring patience and brotherly love, it can be met. Once the ambitious negro comes to understand that in the South the present social, political and civil status of the negro is the high-water mark of his advancement, he will no longer demand an impossible equality or continue to think the thoughts of Mr. White in "The Fire in the Flint."

Thoughtful men realize that some day—how soon no one can tell—the teachings of ambitious negro leaders, as set forth in Senate Document 153: "Radicalism and Sedition among the Negroes as Reflected in Their Publications," will spread through the South, breeding discord and race riots. It is this practical and economic side of the race question, in addition to the ethical one, which impels the South bid the dissatisfied negro go elsewhere to live. The Southern white man of 1925 finds himself in agreement with Washington and Jefferson, with Lee and Senator Butler of South Carolina: Slavery and the presence of the negro have been the greatest handicaps of the South. It is this changed mental attitude that has set the South free and enabled her to see the truth.

Presidents of Europe's New Republics

By EMIL LENGYEL

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Editor of the *Hungarian Review* of Vienna

SURVEYING the events that have taken place in Europe and in Asia since the World War, not the least significant seems to be the wholesale conversion of former monarchies to republicanism. In addition to Russia and Germany, the two most populous countries of Europe, a considerable number of smaller nations have ceased to be monarchies. The twelve countries which have become republics since the World War are: Czechoslovakia, Turkey, Russia, Germany, Austria, Poland, Esthonia, Latvia, Lithuania, Finland, Albania and Greece. The list does not include Hungary, because that country is under a regent.

The new countries which sprang into existence after the war were unanimous in deciding against the monarchy, the memory of which was associated either with defeat or with oppression. Monarchy was the symbol of the old régime, with which these countries had so much reason to be dissatisfied. Moreover, the leading statesmen of the new nations were well aware that the establishment of new monarchies in place of the old ones would inevitably lead to revolution, which they were anxious to avoid.

Such difficulties do not present themselves in the case of the election of Presidents. The heads of republics are chosen at frequent intervals, so that the party whose Presidential candidate is defeated at the polls has the consolation that it may be successful on the next occasion. Due largely to these considerations, twelve new republics were set up in Europe and Asia during the post-war period. This change affected the lives of 300,000,000 people spread over

a territory stretching from Europe's westernmost parts to the furthest corners of the Orient; from icy Wrangell Island up in the Arctic Sea down to semi-tropical Mesopotamia. It affected nations that were at the peak of civilization as well as peoples living in a nomadic state. In the South Russian steppes the Kirgis population, among whom literacy is unknown, became citizens of a republic just as effectively as the inhabitants of North Germany, who could boast almost 100 per cent. literacy.

The quality of the men the twelve new republics selected as their Presidents was a fair indication of what 300,000,000 people wanted. These twelve countries compose the "new world" in the most accurate political sense of the word. The Presidents of these twelve republics, their past achievements, their human qualities tell us, therefore, what mankind as a whole can expect from this "new world." By studying these personalities we may gain an insight into the trend of thought of the vast army of new republicans upon whom depends, to a large extent, the prosperity and the tranquillity of the whole civilized world of today.

MASARYK OF CZECHOSLOVAKIA

Thomas Garrigue Masaryk, President of Czechoslovakia, though representing a small country, will have his name inscribed on the roll of honor which commemorates the names of men like Bolívar and Cavour.

President Masaryk possesses qualities that are rare in any single human being. He is a profound scientist and at the same time he is an astute statesman.

He is an idealist and simultaneously he is a realist. His compatriots reverence him as if he were a saint. He has, indeed, many saintly traits. An elderly man, he left a comfortable position several years ago and went into exile as a protest against the Habsburg rule in Bohemia. He was indefatigable during the war in focussing the attention of the world on the sufferings of the Bohemians under Austrian rule. This profound thinker and recluse performed the greatest diplomatic feat of the age. Although his country was part and parcel of the Austro-Hungarian monarchy, he had it recognized during the war as an independent belligerent power fighting on the side of the Allies. If there is a single man of whom one can say that he founded the Czechoslovak Republic, that man is Thomas Garrigue Masaryk.

There are few living men who have been the objects of such a jubilant celebration as Masaryk was upon his return to Czechoslovakia, after its independence had been proclaimed. By a provision of the Czechoslovak Constitution he occupies his position as long as he lives. He can truthfully say that he has been rewarded with the highest honor to which man can aspire. He has only admirers and no critics. Yet the hosannah which his contemporaries are chanting to him every hour of the day has not induced him to give up work and enjoy the bliss of popularity and the agreeable scent of the incense. President Masaryk does not conceive of his high office as merely a reward for his past labors. He thinks of it as a mandate to help build up the State whose foundations he has laid. Despite his advanced age he has vigorously participated in this great work.

We have now a complete record of what President Masaryk has done since the inception of the Czechoslovak Republic, which has become one of the most progressive countries of New Europe. Grave errors have undoubtedly been committed. The national minorities are complaining—not without cause—of oppression. The Ger-

mans, as well as the Magyars, and even the Slovaks, are dissatisfied with the way governmental authority is wielded in the young Slav State. There is every indication, however, that the hostile attitude toward the national minorities will give way to ever-increasing friendliness and to a willingness to cooperate with them. Masaryk's wise leadership has already made its influence felt in the improvement of these relations.

With the exception of the President of the Turkish Republic, Masaryk has the widest power among all the Presidents of the world's new republics. His office was patterned upon the Presidency of the United States, where he had spent several years before his triumphant return to Czechoslovakia. In his recently published memoirs he advises his compatriots to avoid a narrow-minded, nationalistic policy. He urges them most emphatically to live in amity with their neighbors. He tells his country that he does not like the present system of small States prevailing on the European continent. He would prefer a supernation in the basin of the Danube uniting all those countries that for economic, geographic or political reasons need one another's assistance. He advocates a European replica of the United States of America, composed of nations living in peace and harmony and cooperating for the weal of the European continent. President Masaryk must know that even in his own country there is considerable opposition to the Danube Confederation. If he did not enjoy the respect which every Czech feels is due to him, he would be accused of trying to drag Czechoslovakia back to her former subservience to Austria and Hungary. Masaryk's name, however, is proof against all such accusation. Czechoslovakia may not yet be ready for the Danube Confederation, but his advice will survive and will ultimately lead his nation into the fold of a Danubian superstate.

Some of the eleven other new republics have Presidents who are by no means less picturesque than the "empire founder" just mentioned. Not the

least interesting among them is undoubtedly Michael Ivanovitch Kalinin, Chairman of the Executive Committee of the Union of Socialist Soviet Republics.

The Chairmanship of the Executive Committee is equivalent in Russia to the Presidency of the republic. In Kalinin is vested, at least nominally, the supreme authority of the Soviet State. Owing to the desire of the Soviet leaders not to give too much power to any one, unless it is inevitably necessary, Kalinin's functions are mostly humanitarian and representative. Kalinin has a large office in Moscow which is always filled with people who have undertaken a pilgrimage in order to ask him to redress some wrong. Kalinin is very popular in Russia. The reason of his popularity is perhaps that he is a real "dirt farmer" and that, despite his high office, he has remained the same unsophisticated peasant he had been formerly. Kalinin has all the characteristic traits of the Russian peasant. He is extremely good-natured and ready to help those who ask his assistance. He is simple and uses a simple language that is understood even by the most ignorant peasant. Curious as it may sound in view of the Soviet's campaign against religion, he is said to be, at least to some extent, religiously inclined and always ready to defend religious freedom, so far as this is possible in contemporary Russia. As a characterization of Kalinin's popularity it should be mentioned that he is one of those few Presidents who go about their country unguarded.

GERMANY'S SECOND PRESIDENT

Paul von Hindenburg, the second President of the German Republic, has the opportunity of excelling in the greatest virtue of the Chief Executive of a democratic State—remaining in the background and keeping silent. The office which the German people has called upon him to occupy is partly decorative and partly expressive of the unity of the Reich. The President's initiative is closely limited; his interpretative power in the execution of the laws

is almost nil, and his controlling power over the acts of the Legislature is minutely defined.

It is not yet sufficiently appreciated how powerfully Hindenburg's election has helped the republican cause in Germany. The situation in that country is now identical with that which prevailed in Austria when the Social Democrats made their adversaries, the Christian Socialists, many of whom had been monarchistic sympathizers at heart, select their own candidate for the Presidency. Had a Socialist become President in Austria, the Christian Socialists and Pan-Germans would have seen themselves constrained to oppose not only the party in power as well as the Chief Executive selected by it, but also the Presidential office itself. In other words, they would have shifted toward monarchism. Instead of this, now they simply have to be republicans since their own candidate has become the President. The German Nationalists are also being forced to discontinue the monarchistic agitation. Hindenburg was their candidate and he has taken the oath of allegiance to the republic. Even ire-eaters of the Ludendorff brand will have to conclude peace with the republic if they do not want to declare war on the former war hero. Thus, Paul von Hindenburg, an exponent of Kaiserdom and the pride of the German monarchists, has become the defender and, perhaps, the savior of the German Republic.

THE AUSTRIAN PRESIDENT

Germany's neighbor and blood relative, the Austrian Republic, made a very fortunate selection in elevating to the Presidency Dr. Michael Hainisch, an author and student of questions relating to scientific agriculture. Vienna, the Austrian capital, where Hainisch resides, is about as far from Budapest, the Hungarian capital, where Regent Horthy holds his court, as Wilkes-Barre, Pa., is from New York City. Notwithstanding this short distance, the difference between the methods of administration of Austria and Hungary respectively is enormous. Nothing illustrates this dif-

ference so much as the personalities of the heads of the two States. While Hungary is governed by a ruler who maintains one of the most expensive courts of Europe, Austria is headed by a respected scientist of the most unpretentious type. Herr Hainisch lives in his own little house in one of the suburbs of Vienna, situated at the foot of the picturesque Kahlenberg. In that section of the town where he lives, Viennese "Gemütlichkeit" (this almost untranslatable word may here be rendered "easy-going ways") is not yet a thing of the past. The timid scientist fits wonderfully into this picture. No sentry guards his door. Friends and strangers may enter the house as often as they like.

The Austrian Constitution is one of the most democratic organic laws of our age. According to its provisions the President of Austria has about the same functions to perform as the King of England, which is equivalent to saying that he has partly social, partly representative tasks. The consensus of opinion is that President Hainisch performs these functions in a most democratic and at the same time most dignified manner. The President is to be seen every day in the spacious halls of the Vienna University, where he regularly attends a course in which he is interested. He usually sits in the last row of the lecture hall and takes notes diligently. He has trained the staff and student body of the university not to pay him any particular attention, so that he can better devote himself to his studies. In his free hours President Hainisch writes books about Austria's agricultural problems, which, unbiased critics tell us, are authoritative volumes on this subject. No wonder, under such circumstances, that he enjoys the highest esteem of his nation, irrespective of party allegiance.

THE "BALTIC" PRESIDENTS

Much less respect and much more opposition is the lot of President Stanislaw Wojciechowski, head of the Polish Republic. Poland's first President having been assassinated, this rather in-

conspicuous politician was elected to the Presidency as a "compromise candidate." In his youth, President Wojciechowski, owing to his opposition to Russian rule in Poland, had been an exile. He had earned his living first as a printer and later as a journalist. Originally classified as a Socialist, he is now a so-called "Liberal." Under his rule political persecution, the suppression of the national minorities and the internment of political prisoners, are alleged to be every-day occurrences.

The Baltic republics, proper, are represented by equally inconspicuous Presidents. Friedrich Akel, President of the Esthonian Republic, deserves mention not so much on account of his own achievements as for the curious character of his office. It must be noted that Esthonia, although a republic, has no President in the ordinary sense of the word. She has a so-called "Head of State," who is, in fact, a Prime Minister, vested with some of the representative powers of a President. This explains the fact that Akel is the fourth head of the young Esthonian State. The Esthonian Constitution provides that the Heads of State are dependent upon the vote of confidence of the Parliament. As soon as they lose it they have to resign. This is an exceedingly democratic institution, which is still in an experimental stage.

Latvia, another Baltic State, has a constitutional provision which prescribes that in case the President of the Republic dismisses the legislative body and a plebiscite, which has to be taken immediately, reverses this decision, the President himself is to be considered as dismissed. Another provision of the Constitution restricts the power of veto of the President to almost naught. It will not be found surprising that President John Chaksta has never made use of his privilege to dismiss the Latvian Congress.

Alexander Stulginskis, President of the Lithuanian Republic, deserves comment mostly on account of his youth. He is still in his thirties. He is popular in his country, in the agricultural

development of which he takes special interest, mostly because of his connection with agriculture before his elevation to the Presidency.

Dr. Relander, the newly elected President of Finland, is both a scientist and a statesman. Like Hainisch, the Austrian President, he is the author of many books dealing with agricultural topics. While he was engaged in his scientific pursuits he found ample opportunity to blaze a career for himself as a statesman. For almost a quarter of a century he has been active in politics. He was a member of Parliament, later Speaker of the House and Governor of the Province of Viborg. Like many other Finnish leaders he is of Swedish descent. As such, he is conservative, disliked by the Socialists and Progressivists, tolerated by the agrarians and lionized by the ruling Swedish clique.

ALBANIA AND GREECE

Albania was until quite recently undecided as to her future form of government. Strictly speaking, she was neither a kingdom nor a republic. Responsible Albanian statesmen did not dare to speak about this question, fearing that its discussion would conjure up bitter partisan strife. The country for the last ten years has been governed by a Council of Regents, dating from the flight of Prince William of Wied in 1914, and representing four State religions. The idea of a republic was extremely popular throughout the country and was opposed only by the land-owning beys, who feared the loss of their privileges under a strictly republican régime. The revolution in Albania at the end of December, 1924, resulting in the overthrow of Premier Pan Noli by his political rival, Ahmed Zogu, the former Premier, precipitated the process toward republicanism, and on Jan. 23 Ahmed Zogu, as the Prime Minister, officially informed the League of Nations that the Albanian National Assembly, on Jan. 22, had unanimously proclaimed the country a republic. The present Cabinet is made up of only three members, Zogu, as Premier, Min-

ister of Foreign Affairs and Minister of Interior; Mufid Libohova, Minister of Justice and Finance, and Constantine Kotta, Minister of Education and Public Works. Ahmed is still a young man, of a studious bent and some military genius. He has been prominent in Albanian affairs since 1920.

The youngest republic of the world, Greece, is headed by Admiral Coundouriotis, who is its temporary President. The Admiral had achieved some fame during the Balkan wars and as a reward for his services was elected Chief Executive. The Greek Constitutional Assembly is now working on the new republican Constitution, after the adoption of which it will be possible to fill the Presidential chair permanently.

MUSTAPHA KEMAL OF TURKEY

Mustapha Kemal Pasha, President of the Turkish Republic, is a man and a ruler of a very different type from Masaryk. Kemal has always been a soldier and behaves as such. While President Masaryk created the Czechoslovak Republic through diplomatic means, Kemal Pasha brought about the establishment of the Turkish Republic by force of arms. The Turkish Republic is even more one man's job than the Czechoslovak Republic. Czechoslovakia has had many talented leaders who gave powerful support to Masaryk, but Kemal alone effected the organization of the Turkish national army, the overthrow of the monarchy and the establishment of the republic. Without Kemal Pasha the campaign in Anatolia would have been unimaginable. It was he who transformed the murderous, disorderly rabble that was the so-called Turkish national army at the beginning of the campaign into the victorious army which subsequently dealt such a terrible blow to the Greek occupying forces. It was Kemal Pasha who gave the Turkish nationalist movement a certain aim which it had lacked since the power of the great Suleiman had been broken before the walls of Vienna and the onward march of Mo-

hammedanism toward the West had been checked.

Kemal Pasha aroused the Turkish people from their lethargy. He launched a campaign to transform the proverbial "indolent" Turk into an "ambitious Turk." His great aim was to cure Europe's "sick man" and to dispel the myth that Turkish government was an "anachronism." He could have become the Sultan of Turkey. He could have become the Caliph of all Islam if he had wanted to ascend the throne of the Prophet's successors. It must be said to Kemal's credit that his aim was not to glorify himself but to glorify his nation. His face had burned with shame as he witnessed the constant political degradation of his people under the Allies' régime. Then, one day he determined: "Either I will perish or Turkey will be great."

Instead of establishing a new Sultanate, Caliphate or military dictatorship, Kemal had the republic proclaimed immediately after his sweeping victory in Anatolia had assured him of the possession of Constantinople. He had the humiliating capitulations abolished. He put a liberal suffrage law on the Turkish statute books. Prohibition is strictly enforced and polygamy has become a crime in Turkey. And yet it is alleged that Mustapha Kemal, fanatic and paradoxical in his insistence on democracy, has

established a rigorous censorship of the press and instituted an oppressive system of espionage!

After his ascension to power, Kemal Pasha, this former officer of the Turkish Army, became a Puritan and set out upon a great venture which is to bring back Turkey to Europe as an important factor in international history. Kemal Pasha knew that the only reason why Turkey during the past hundred years had not been dismembered and distributed among the great powers was because they could not agree on the spoils. Kemal Pasha changed this humiliating position completely. Today it would be impossible even to think of Turkey's dismemberment. Very wisely Kemal gave up Turkey's claims to those territories of the former Sultanate which are inhabited by non-Turks, but he insisted and insists that present-day Turkey should remain territorially intact. Himself a curious combination of Jewish, Turkish and Greek blood, this protector of the Turks and arch enemy of the Greeks surprised the world by constructing a new Turkey, whose future is not at all so dark as it seemed to be during the monarchist régime. Turkey has never been so free of foreign influence as she is today; she has never had the same opportunity to write her own history as she has under the benevolent tyranny of Kemal's republican era.



French African Empire a Heavy Burden

By CHARLES SAROLEA

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THE building up of the French African Empire was the culmination of that great colonial movement which is probably the most startling political feature of the last quarter of the nineteenth century and the most pregnant with unforeseen and tragic consequences. After the war of 1870 and following the expansion of European trade and industry, there arose a sudden demand for new markets, which again led to a struggle for new territories and spheres of influence. In that struggle, which in the case of other nations was prompted mainly by economic motives, France had the additional incentive of finding in colonial enterprise some compensation for her national pride, and some consolation for her military disasters. In this project she received the unexpected encouragement of Prince Bismarck, who saw in the conquest of North Africa an opportunity to drain and waste French resources in sterile enterprises and to embroil the French Government with all its neighbors. The imperialist fever took possession of every European country. Even the United States caught the contagion and reached out for Cuba and the Philippines. The explorations and expeditions of the '80s recalled the voyages and discoveries of the Renaissance and of the Elizabethan age. The colonial ambitions of Europe embraced both Asia and Africa. But whereas most European powers joined in the partition of Asia and swooped down upon China as upon a quarry, only two powers, France and Great Britain, practically monopolized the partition of Africa. This situation was largely due to Bismarck's machiavellian encouragement of

France, to his deep-seated opposition to colonial ventures and to his concentration on continental policy. Between them France and Britain divided the "Dark Continent," leaving it to King Leopold of Belgium to annex the deadly Congo swamps and the equatorial forest, which, in the days of Livingstone and Stanley, seemed to be the darkest part of "dark Africa." France occupied the north, the west and the centre, while Great Britain appropriated the south and the east. The two countries, starting as determined opponents, continued in friendly competition and ended in close cooperation as common enemies of Germany.

FRANCE'S FAILURES AS COLONIZING POWER

The French African possessions, including Morocco, Algeria and Tunis in the North, the Sahara in the centre, Senegambia and the French Congo in the West and Madagascar in the Indian Ocean, represent a marvelous achievement of imperial enterprise which ought once for all to dispose of the widespread misconception that the French have none of the qualities of an imperial colonizing people. Two-thirds of these vast territories were occupied, pacified and organized in less than one generation. The achievement is all the more remark-

Professor Sarolea in the last thirty-two years has visited many times different parts of Algeria, Tunis and Morocco and has had exceptional opportunities to study their development at first hand. In 1920 he accompanied King Albert of Belgium on a State visit to West Africa, acting as the King's political adviser during the trip. He made especial study of the black armies of Northern Africa, whose 400,000 disciplined units contributed so materially to allied success in the World War.

able if we remember that this successful attempt to build up a colonial empire was preceded by two unsuccessful attempts. From the days of Henry of Navarre and of the Jesuit missionaries, long before Richelieu's time, France tried for more than two centuries to become a colonizing power. She failed in this repeatedly. Montcalm was defeated in Canada by Wolfe; Dupleix was defeated in India by Lord Clive. Even the great Napoleon had to surrender the vast expanse of Louisiana and to barter away this magnificent inheritance for a bag of dollars. Like Bismarck

and Gladstone, Napoleon was not of the colonial school; he was of the continental school. Thus the French colonial empire, so far from being the most recent, is one of the oldest experiments in European colonization. For a short time the French Monarchy was mistress of the St. Lawrence and the Mississippi Valleys. As Mill, the historian of India, and Lord Macauley are both compelled to admit, Dupleix taught his British enemies how to organize native armies and how to govern India. He taught them, first, the secret that no native armies could withstand European discipline, and, second, that these same native armies could be trained along



L'Illustration (Paris)

Marshal Franchet d'Espèrey, the famous French military commander, receiving a local chieftain in the heart of the Sahara Desert

European lines and transformed into invaluable fighting instruments under European leadership.

But, notwithstanding the many men of genius whom French colonization produced; notwithstanding the legions of heroic Catholic missionaries, one dependency after another slipped from the grasp of France after a precarious possession. The history of French Canada and of French Louisiana (admirably recorded in the twelve fascinating volumes of Francis Parkman, the greatest of American historians), furnishes typical examples of this development. The attempt of Great Britain to oust France from her overseas possessions represents



L'Illustration (Paris)

Marshal Franchet d'Espèrey being welcomed by the native women at Bourem in the French Sudan

the outstanding feature of French and British history in the eighteenth century. How it became the main cause and motive of a second "Hundred Years' War" (just as our latter nineteenth century imperialism became the main cause of a more terrible World War) is clearly revealed in Seeley's "Expansion of England."

Now, once again, in our own generation, France has been trying to establish and to consolidate a colonial empire. But this time she took care to enlist the good-will and cooperation of her British rivals. Furthermore, she profited by her former mistakes. The question now arises whether, having thus started the experiment under more favorable auspices, France will be more successful in the twentieth century than she was in the seventeenth and eighteenth centuries.

FRENCH AFRICA A HEAVY BURDEN

In the partition of Africa France secured the worse share and the less profitable investment—what Lord Salisbury called the lighter soil—although she assumed by far the more difficult, the more costly and the more dangerous political and military burdens. The populations of the French African territories are, firstly, much more advanced in civilization than those in the British territories. The ruling element in Morocco, Algeria and Tunis belongs to that gifted and indomitable Berber race which is substantially the same race as the aboriginal Iberian and Celtiberian population of Spain and Southern France—the people who gave such trouble to the Roman conquerors. It is the same race which was already the dominant factor in the days of the Arabs

and which created the glories of the Alhambra of Granada and of the Mosque of Cordova.

In the second place, the French territories are much more thickly populated and much more settled. It is therefore considerably more difficult for the French conquerors to dispossess or even to displace the native occupants. There are no vacant spaces in Northern Africa; there is no "terra nullius," not even amid the light soil of the Sahara, which is overrun by indomitable nomadic tribes such as the Touaregs. It is all the more difficult to displace the native population because France herself is not in a position to send her own colonists.

In the third place, the French African territories are much less productive and remunerative from an economic point of view. There are no diamonds or gold in French Africa as there are in the Transvaal. There are no cotton plantations as in British East Africa or the Sudan. Even the rubber or palm oil plantations of the French Congo are insignificant compared to the rich plantations of the Belgian Congo which are today being exploited by the British soap interests, headed until recently by the late Lord Leverhulme and representing more than half the total exports.

Last but not least, the French African populations are much more warlike and aggressive than any black population in British Africa. They

have proved their mettle by fighting both against France and for France. After the occupation of Algiers in 1830 it took forty years and many arduous and costly military campaigns to subdue Algeria. It has taken twenty years to subdue Morocco. And now that Morocco has been subdued in regular warfare, guerrilla warfare still continues and may be protracted indefinitely. Even Marshal Lyautey, a great soldier and a wonderful administrator, has not succeeded in pacifying the hill tribes of the Moroccan Atlas. The recent dramatic events precipitated by the unexpected irruptions of the tribesmen of Abd-el-Krim across the Spanish Moroccan border, ushering in a new war and opening most dangerous possibilities for the safety of French rule in France's own zone, may yet prove portentous for the future.

There are four basic factors which are essential to successful modern colonization: (1) The initiative and daring of pioneers; (2) the financial and military assistance of Governments; (3)



L'Illustration (Paris)

A native King paying his respects to Marshal Franchet d'Espèrey at Paraku in Dahomey

the cooperation of private capital, and (4) the presence of a large body of settlers. Remembering these conditions, the results of French colonization can be summed up in a nutshell: France has provided both the pioneers and the assistance of the State. But she fails to provide today even more completely than she failed to provide in the past, the two other necessary requisites, namely, commercial enterprise and settlers. Since 1870 there has been a continuous stream of explorers and adventurers. From the late '70s down to 1914 the exploration of Africa, especially of the Sahara and the Niger country, almost became a favorite and a subsidized form of national sport. Most of the French Generals who became famous in the World War first won their spurs in Africa: General Joffre, Commander-in-Chief of the allied forces; General Galliéni, savior of Paris; General Marchand, hero of Fashoda; General Gouraud of Syrian fame; General Mangin, hero of Verdun and author of a recently

published work on French Africa; General Lyautey himself, Moroccan Pro-Consul. Those daring pioneers have been generously assisted by the French Government. Algeria, Morocco, Senegambia, French Nigeria—all have been used by the mother country as the chosen training ground for the French Army. Native troops have been disciplined. Military highways and railways have been built. Aviation routes have been established.

LACK OF CAPITAL AND SETTLERS

Unfortunately, private French capital has persistently refused to invest in African enterprises. Thousands of millions of French francs have been lent to foreign Governments, but no French money has fertilized the colonies. There have been no big French chartered companies such as the British Niger Company or the South African (Rhodesian) Company. French colonization has belied the dictum that trade follows the flag. A peculiar feature of recent



Wide World Photos

Market place in a village of the French Congo

French history has often been noted, that whereas you will always find in France daring individuals who are prepared to risk their lives, the Frenchman of the peasant or middle class type cannot be persuaded to risk his savings. The French citizen is passionately patriotic. But French capital, unlike British capital, knows no country. Thus it has happened that in Algeria the rich deposits of phosphate have been originally exploited by British companies, and that the internal trade in Morocco, Algeria and Tunis remains largely in the hands of Jews. Every French Mediterranean city—Tangier, Oran, Constantine, Tunis — contains its prosperous ghetto. It is highly probable that if mineral wealth were to be discovered tomorrow in the mountains of the Atlas the shares of any companies which might be formed would be taken up by foreign investors, just as the British Government allowed the shares of the Suez Canal to be bought up.

But the most unpromising feature of the French African possessions is that they have attracted very few French settlers. It used to be said before the war that Germany had colonists but no colonies; that France had colonies but no colonists; while Great Britain alone had both colonies and colonists. That epigram still remains true today. The French possessions are only dependencies, not real colonies. In the Algerian Province of Oran there are more Spanish colonists than Frenchmen, and in Tunis there are more Italians. Indeed, the economist Paul Leroy Beaulieu, the greatest authority on French colonial



Burton Holmes from Ewing Galloway

Native guard of the French Governor General at Rabat

problems, described Tunis as an Italian colony administered by the French Government. This "colonial absenteeism" of France is likely to continue in the future, for the population of the French mother country continues to diminish. Instead of French colonists migrating to French Africa, millions of foreigners are today filling the gaps created in France by the World War. Whereas the total foreign population of Great Britain is only 270,000, the foreign population of France is today over 3,000,000. For every one alien in Great Britain there are twelve aliens in France, and in proportion to the population there are even more, namely, 14 to 1. Under such conditions how can France be expected to colonize her vast possessions? This situation must be very depressing to a patriotic Frenchman, and becomes a very perplexing problem for the scientist on comparing the present with the past. In the eighteenth cen-

tury, under a so-called decadent French Monarchy, France with her 25,000,000 people exceeded the combined populations of Great Britain and Germany.

NEW EMPIRE'S FAILURES AND ACHIEVEMENTS

One conclusion of this summary examination of the conditions and methods of French colonization is that any estimate of the results achieved must necessarily vary according to the particular point of view adopted. If colonization means the settlement of a country's surplus population and the exploiting of the economic resources of a colony, then French colonization has been an almost complete failure and hundreds of millions have been sunk in vain in the sands of the Sahara. The French population constitutes only one-half per cent., or 300,000, in a total of more than 50,000,000. No large fortunes are being made in French Africa. No large estates are being exploited by Frenchmen. The French colonies, instead of being an asset, are a heavy fiscal and financial liability—they do not pay and can not be made to pay. The results bear no proportion whatsoever to the enormous expenditure, to the magnificent effort exerted and to the tragic political sacrifices. The results do not justify the controlling influence of the colonies in French foreign policy.

On the other hand it must be conceded that the French metropolis has proved an admirable organizer, administrator and civilizer. The French have truly and literally taken up the white man's burden. Like the Romans, they have been builders of roads and bridges. They have cleared forests, organized schools, established law and order. In a word, they have brought peace and prosperity. And last but not least, they have earned, on the whole, the good-will of the subject populations. The great test of their administration came with the war. It might have been expected that French West Africa and French Northern Africa, which had been so recently pacified, would have taken ad-

vantage of the difficulties of the mother country by rising against her at the most opportune moment. But instead of drawing away troops from the mother country the French African possessions contributed nearly half a million soldiers, who proved magnificently loyal and efficient.

The future of the French African empire must undoubtedly give cause for very considerable anxiety to any statesman endowed with foresight. The African natives, in many cases, have been accorded equal political rights with French citizens. Though they send their own members to the Central French Parliament, it seems inevitable that the newly enfranchised Africans will some day want to make use of their rights to secure their autonomy. "Africa for the Africans" may become the watchword of native politicians. The religious and nationalist movement in Egypt may soon find its counterpart in Tunis and Algeria. It has already reached Spanish Morocco, and with Abd-el-Krim's attack across the border, it may yet spread to French Morocco. It may come from other sources. Read the French colonial press and you will find that agitators, subsidized from Moscow, are already busy in every dependency, rousing Islam, stirring up the natives against the French and the French against the Italians. The future of the French African empire could be secured only if a very much larger proportion of Frenchmen settled in the mother colonies. But such settlement seems less and less likely, so that the third French colonial empire seems destined eventually to follow the vicissitudes of the first two. The French conquest of Africa, under the Republic, like the previous French conquest of North America under Louis XIII, and of India under Louis XV, will have been only an interesting political and military experiment. It will have been infinitely costly in blood and treasure. It will have deflected the whole course of French foreign policy. And yet it will not be a permanent achievement.

France's Black Citizens in West Africa

By W. E. BURGHARDT DU BOIS

Editor of *The Crisis*; author of "The Souls of Black Folk," "Darkwater" and other books dealing with negro life

THE situation in French West Africa today is one of surpassing interest as one phase of the vast colonial enterprise which has divided Africa up among a half dozen white powers of greater or lesser magnitude. France, following her special policy, has drawn no color line and, in refreshing contrast with the other powers, has admitted her black colonials to citizenship and even laid the foundation of an educational system which may yet prove the nucleus of a great mulatto empire in the heart of Africa. But the germs of race conflict are there as they are elsewhere in Africa; and only enlightened French policy and educated negro leadership can ultimately solve the problem for both sides.

The world at large scarcely realizes the loveliness and dreamy charm of this part of Africa, which I recently visited. French Guiana contains cities that hold the memory of the wayfarer from beyond the seas. Conakry, the capital, is French, which means that it is beautiful, quiet, complete. The streets are shaded by mighty mango trees planted regularly; in one avenue they stand four abreast and the shade there at tropical noontide is sweet and thick and cool. I passed a school with a fine large yard and heard the low hum of busy black and white teachers and black pupils. I saw the Bellay monument, a fine and noble thing in its sculpturization of different negro types; a French Governor stands with his hand on a straight, naked, black boy; a Sudanese chief sits proudly below, looking toward the rising sun; a black mother lies at ease

nursing her baby with dreaming eyes. Conakry is a young settlement, only twenty-five years old; and yet it already possesses a high road, a railroad and commerce. It is the gateway to ancient Timbuktu, which lies a thousand miles deep in the interior. The best hospital of all the black West Coast is here and open to all; the native quarter looks neat and not unattractive. The city lies low along the sea—mango and palm and yellow Government House—encompassed by beautiful guardian islands.

Five hundred miles northward, in French Senegal, Dakar is impressive from the sea, a modern port with its public buildings, its shipping and its coal-loading machinery. One describes the beautiful palace of the Governor, the well-built City Hall, the business blocks and homes. On land, however, there is some disappointment; the city is hardly beautiful, for Dakar fights with the desert sands. It is a dusty place, busy, with little real charm. It has an artificial made-to-order air, which is dispersed only when one penetrates the miles of native suburbs with their mass of huts and compounds, and beholds strange clothing, dark, jeweled hands and burdened heads.

St. Louis, on the other hand, a hundred miles north, is far more charming and individual. The journey there from

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Dakar is fascinating. I went on a cool, sunshiny morning, when fleecy clouds hung over low, flat, sandy land covered with palm trees and huts. The depot swarmed with natives; there was a group of beautiful mulattoes; the husband, evidently a civil servant was departing; a tall black nurse held a pretty, red-haired baby. A black man came down to speed the going; he was tall and finely dressed and wore a white helmet and the ribbon of an order in his buttonhole. An old black man, adorned with the *croix-de-guerre* and chevrons, hobbled by. The black natives, gaily kerchiefed, with burdens on their heads, paraded past; brown Moors stalked on and little black boys scurried about as porters.

The women of Senegal, I found, were quite different from those further south. I did not see here the lovely brown nakedness and perfect physique of Liberia and Sierra Leone; these Senegalian women were clothed from neck to instep with white flowing overdress and embroidered chemisette; nearly all wore a concealed ceinture which tended to bulk and deform their figure, though the African beauty of body often made itself perceptible despite this handicap. Their hair was usually twisted about quills and strings and hung in clicking ringlets. One passed Moorish women, veiled in one long blue or black garment, and looking like dusky ghosts. Usually they carried no burdens and their faces, veiled and unveiled, were high-bred, black, brown or yellow. One sensed in this passing north a mingling of races and racial traditions going back hundreds of years; an assembling of many kinds of people, who seemed to be alike in that their skin was dark, but who were fundamentally as different as the white peoples of Europe. One saw superior and inferior classes; men slouching and dirty; men clothed in flowing white, taller than usual and striding finely. They were not laborers and they had traditions. I walked by a mosque in St. Louis: the sun was setting; the wild chant was rising and

swinging within. In the street a mass of men kneeled and cried, facing Mecca.

St. Louis sits on the broad, swift flood of Senegal. It is old French and Spanish, with blank walled streets, tiny shops and courtyards; it is Moorish and North African in its customs. Across the broad river and in Mauritania one finds daily the great native market along the Avenue Dodds, named after the mulatto General of France. All day long the market is full of natives trading meat and bread and cloth, matting and shoes, fish and jewelry. To trade effectively one would best speak Woloff, for knowledge of French is rare.

THE OLD TOWN OF GOREE

There lies a little island in the seas, yellow, old; with rocky shore and ancient frowning forts above. There are palms and old buildings, with here and there a new white wall. Opposite is new Dakar; beyond, Rufisque, and far northward St. Louis. But Goree is the oldest of them all: Goree, isle of the slave trade, once centre of teeming marts of stolen black men. There are narrow, winding streets in Goree and its edge is threaded by the winding, changing shore. On the site of the slave mart was built the ancient Spanish-like town, yellow and cream and red, with the palace of the Governor and the great stone and moss-covered fortification. All about lies the beautiful blue sea.

In the former palace of the Governor-General is the Government printing office, fitted up electrically, with two linotypes, great presses and apprentices and other typesetters. In the left wing is the black Mayor; an old man, simple, dignified, but without assumption, probably possessing only elementary training, but courteous and kindly; and a methodical black secretary.

Goree today is an island of schools, providing for some two or three hundred students, young black men dressed in overalls of blue and buff khaki, and wearing coats and cloth caps. In the great square beneath the forts, facing the sea and backing Dakar—in the curve

of the inlet where the slave ships stood and sailed—are schools; an industrial school working in copper, tin, iron, steel and wood; a school conducted with French completeness and precision, where the students learn some mathematics and the art of careful writing; the planning of roads and ditches; the building of walls and wagons and wheels and machines. This school offers a three years' course of study after eight primary years; a hundred and twenty black boys are training here to be mechanics. Next is a normal school with a hundred good-looking young black men; then there is a hospital near by in the quiet old town with pre-medical students and nurses. Some day a great university of West Africa may rise here. It is a fine, a tickling dream.

In a sense there is no racial problem in French West Africa; but there are germs of one. Most of the rulers and the large merchants, most of the rich, are white. All the servants and laborers, all the poor, are black. On the other hand, the Deputy who represents Senegal and, in a sense, all black French Africa, in the Parliament at Paris, is black. The Mayor of St. Louis and the Vice Mayor of Dakar are black. The overwhelming majority of the voters in the four small enfranchised communes, Dakar, St. Louis, Rufisque and Goree, are black; but the overwhelming mass of 10,000,000 black French West Africans have no vote. There are black and white and yellow children in the same schools and black and white and brown folk in the Civil Service. Most of the clerks in all the stores and all the clerks in the small stores are black. A few of the large merchants are black; most of them are white.

RACE PREJUDICE NOT APPARENT

The relations between the blacks and the whites seem pleasant; one sees individuals of different races talking together much more often than in Free-town. In social circles, cafés and hotels one usually sees only white people; yet now and then a mulatto or a

black man appears and this causes no comment. The white Portuguese Consul gave me a dinner in the centre of the leading restaurant. Some, I presume, asked who the brown stranger was, otherwise there was no ripple of excitement at an occurrence which would have caused a flurry in New York, a riot in New Orleans and a murder in Johannesburg. As our great ship drew up to the dock in Dakar, a mulatto health officer, followed by a white assisting customs clerk, boarded us. There was no comment on the fact; no one seemed to notice it. In other words, there is nothing here in French West Africa like the open race repulsion, the studied separation that one sees in British West Africa. The French are careful even of their illegitimate offspring. There are special schools for them, if they are abandoned; and there are cases like that of the West African white official who married a Frenchwoman and brought his mulatto baby into the family with the wife's consent. On the other hand, there is no large number of mulattoes and those there range almost entirely with the whites; but here again for tribal, not for racial reasons.

From all this one might conclude that racial difficulties have no place in French West Africa. This is not true. Today the French feel an unusual sense of gratitude to the blacks. These great black masses unselfishly rescued France. Today they protect her; in a sense they are a vast life insurance for her national future. Two beautiful war memorials to the black soldiers have been dedicated, one at Dakar on the coast and another 700 miles upland on the Niger at Bamako. The statue to a former Governor at Conakry is a magnificent memorial of a kind that one sees nowhere else in the world where black and white folk mingle. All this astonishes the American negro.

On the other hand, a modern African colony is, first of all, an economic development. The French are pushing the cultural and sentimental element in the colony to the fore more than other nations, but their ability and to some

extent their will to do this is dominated by economic motives. French colonies, in the long run, must pay; and though at present France is willing to take part of this pay in protection and military preparedness, yet sooner or later the amount of money which the thrifty French peasant and the shrewd French business man can make out of Africa seems bound to be set up as the criterion of the success of this African empire. This means, as the negro writer René Maran has shown us in his sensational novel, "Batouala," which won the Goncourt Prize, that in some parts of French Africa the exploitation of the natives has already rivaled that of Belgium, and though Maran's novel is a picture of equatorial Africa, 1,200 miles from the outposts of Dakar, yet even in French West Africa, in Senegal and Guinea and the ivory coast, profit is the *raison d'être* of this little world. French Africa must be made to pay. Do not British Africa and Belgian Africa pay? Is not this the ultimate meaning of colonial imperialism?

FRENCH EDUCATING THE NEGROES

There is, however, in French Africa, one important development to counteract the very materialistic ideal of economic profit, namely, the birth of a system of native education. Today black French West Africa stands out from the other European colonies of Africa chiefly because of its educational program. This educational system is not complete; it is not even well-established; but it has been begun and it is a system. There is here a population of between ten and twelve million; and of these perhaps 1,200,000 are of school age. Only one in every fifty-seven of these youth, not counting the mission and Koranic schools, is in school. And yet there is growth; in 1902 there were only seventy schools in the State system; in 1920 there were 500. There are 225 village schools with about 10,000 pupils, ranging from 6 to 12 years of age. The teachers are natives and

give instruction in reading, writing and speaking French, in arithmetic and other elementary subjects. Among the nomad tribes there are camping or nomad schools which follow the tribes about.

From these primary schools the most intelligent and progressive of the pupils are directed to the regional schools. Each of the six divisions composing French West Africa is subdivided into regions; and in each region there is planned a school with a white European instructor and native assistants. About fifty of these schools have been established so far and they have 1,500 pupils. At the end of two years' study these students, by examination, may pass to the superior primary town school, while those who do not pass are sent back to their parents. There are ten primary town schools with about 300 students.

In important centres where there is a demand there are also schools for adults; of these there were in 1922 186, with 7,400 pupils, and with classes held three times a week. There are superior primary schools in the towns, with students recruited from the regional schools; their expenses are paid by the colony if they come from a distance. There are some 400 students in schools like this. These schools train students for the Government higher schools, for the lower ranks of the Civil Service and for commerce and industry.

The whole educational system is capped by the schools of the Government at Dakar and on the Island of Goree. Here are five superior schools whose students are selected from the superior primary schools of the whole colony. These schools train teachers, higher artisans and medical assistants. Two high schools in St. Louis and Dakar fit for higher training. Two secondary schools, with 100 students, have courses of study similar to schools in France leading to the French university and professional courses. There are several small technical schools. Schools of agriculture and forestry are planned.

Over this system is an instructor

general holding a French license as university professor and assisted by an inspector of primary education. There are also at least two inspectors in each colony chosen by competitive examination. There are sixty-six white men and fifty-four white women in the system. Native teachers trained at the normal school at Goree are, in the case of the most promising, granted scholarships to enter the normal school at Aix-en-Provence, France, where they study for diplomas which make them eligible on the general list for appointments on the same basis as Europeans.

Nearly all the schools mentioned are attended by boys. There are, however, 10 special schools for girls, with a registration of 300 in 1922; and 4 orphanages caring for about 200 children. To sum up, there are 314 schools for young people in French West Africa with 21,000 pupils and 186 schools for adults.

In addition to this there is some work by Catholic missions, social rather than educational in nature, on account of French legal restrictions. There are, however, a large number of Koranic schools conducted by the Mohammedans. In all there are some 600 of these schools with 40,000 pupils. They are under State control, and the teachers must be licensed, but they do little besides teaching the Koran by heart and studying a little Arabic. Some 200 students are enrolled in Mohammedan high schools; for the most part these are sons of chiefs. They are trained to serve as interpreters, Judges and secretaries in the Mohammedan courts. The professors in these schools must hold diplomas from the High School of Letters in Algiers.

It must be remembered, however, that though French Africa has an educational program, it has as yet very few educated negroes. British Africa has almost no educational program, but it has educated negroes; and they are the source of protest, trouble and revolt. Belgian Africa has in practice almost no educational program and very few educated natives. South Africa has a carefully restricted educational program and

a small educated class of blacks. These blacks are beginning to writhe and protest.

What will happen in black France when its educational program begins to pour black university men into Dakar and St. Louis? We do not know. But we do know that the crisis and test will come then; for this class will make itself felt by obstructing the golden stream of profit flowing from Africa to France. Afterward, if negroes are modern men and education educates, France may face the world with a new black democracy in industry and politics, as an integral part of a great French empire. But in this case France herself must tend to become mulatto; certainly in thought, to some extent in blood.

HOPELESS WITHOUT EDUCATED LEADERS

At the present time the blacks have no educated leadership. There is no racial feeling against them; they have no racial consciousness, no *esprit de corps*, no ideals of advancement. Mohammedan fatalism holds most of them apart from modern progress. In British West Africa the black man is born a black man in a black country, where whites are usurping the power and using him and the land for their own profit; and where he is more and more determined to win back control over himself and his country. But in French West Africa the colored man is born French. The educated Frenchmen there consist of numbers of whites, a few mulattoes and West Indians and very few natives and blacks. They meet and mix according to their education and interests; and those interests are French. The attitude of these educated people toward the black millions beneath is the ordinary European attitude of the classes toward the masses. They lead them in the sense that they employ them and care in certain ways for their well-being. They care for their health, for instance, with sanitary laws and hospitals, and they draw no color line. When a colored United States Minister to Liberia was stricken fatally and rushed from Mon-

rovia to Freetown, he was not allowed a bed in the perfectly equipped nursing home; and only after prolonged negotiations was he brought in from the native sheds in the yard and laid in the general hospital, where he died soon after. In French West Africa such an occurrence would be unthinkable. If a colored man or native enters the French Colonial Civil Service his treatment and chance of promotion are usually quite independent of color. Very few natives, however, have the slightest chance to enter the civil service.

All this means that the raising and civilizing of the natives is being left to the chance of modern economic development, assisted and somewhat hastened by French public opinion, by military considerations and by some education. This is a dangerously slow set of forces and liable to fatal haltings; and especially is this true when the public opinion of the world—and, above all, the public opinion of the white voters of Europe—tend wholly to the view that an African colony is merely a means of enriching a European mother country.

BIG BUSINESS BARS NEGRO'S RISE

The best solution would be enlightened leadership of the negroes. This is not only lacking in French Africa, but, if mentioned, the reaction is instant; and one can sympathize with this point of view. A young black editor in Dakar discussed this subject with me. Speaking as a Frenchman, he said that there was no organization of black Frenchmen, because black Frenchmen were just as much French as white Frenchmen; and yet, he said, something was needed. Modern economic forces in colonial lands do not tend to raise the masses. With grudging bits of education the mass raises itself, fighting against the politically powerful bourgeoisie in the home land. Any such fight in French Africa would be, in the main, a color-line fight.

How can this raising of the issue of color by colored folk be avoided? It can be avoided only by a social uplift

that outruns consideration of profits; and this today seems scarcely probable. French Africa is organized for profit. Great corporations, great banks, great shipping agencies, great railroads, all unite in well-known and stereotyped ways to overthrow native industry, to prostitute native art, to make economic development in French West Africa mechanical and methodical, and, above all, profitable. The great excesses of the past in "land grabbing" and serfdom are guarded against, but the retail profiteer and the wholesale price-manipulator is here in his glory. The modern Assyrian also "has come down like a wolf on the fold," and he is underbidding and displacing the native merchants by methods which the natives cannot meet. The native, to live, must raise what the world makes him raise and raise it at the world's price; and white world business determines the native's share of the profit.

Black France, that conscious, educated Black France living in Paris, the provinces, the islands, and elsewhere, is curiously unconscious of all this; and apathetic. As yet France has no political solution for West Africa. Colonial representation in Paris is confusing and contradictory. Devolution of power to the colonies is a serious step and weakens military concentration and economic profit.

Yet Black France is the most hopeful meeting place of black and white in the world. If education quickly supplies black leadership; if that leadership, unseduced by the present economic organization of Europe and in close union with white French idealism, reorganizes Black Africa along the magnificent vista of ancient African lines; if political power commensurate with this task comes down from Paris and checks that domination of the vote by moneyed interests which is common in France and a byword in the tiny enfranchised communes of Senegal—if all this happens, the salvation of Black Africa will yet be the gift of France.

The Moroccan War an International Peril

By CARLETON BEALS

Author of "Rome or Death" and "Mexico: An Interpretation"

THE swift defeat inflicted on Spain by Abd-el-Krim, leader of the Riff tribes, his capture of the pro-Spanish Jabala leader, Raisuli, and his unexpected drive on French Morocco in an attempt to capture Fez and establish himself as Sultan of a free and independent Morocco, have recently brought Northwest Africa into the full focus of international limelight. Morocco has become as much of an international tangle as it was in the days of the Algeiras Conference in 1906, or when Germany sent a cruiser to Agadir in 1911 and a growling note to France demanding a say in the policing of the Kingdom of Fez. Morocco, "the land furthest west," is the last stake (except Abyssinia) in the colossal gamble over the partition of Africa, which began in the last century and led directly from the Agadir episode to the declaration of the European war in 1914. It was natural that European colonial greed should have revealed itself most ferocious over this last available territory of Mediterranean Africa, which might be used to bar Europe and the world from free use of the main highway to the Orient.

In the early part of 1921 I visited Tangier, that fascinating sink of European depravity and Oriental misery. Tangier was internationalized by the powers in the negotiations of 1911-12, after the Agadir incident. Today Spaniards, Frenchmen and Italians jostle each other sullenly in the administration of the port, yet with an instinctive camaraderie born of contempt for the natives. There is in Tangier the sense of mystery and picturesqueness of the tropics and of the Orient—here a patch

of European cleanliness, there, in a garbage-cluttered alley, a lattice from which peep the intoxicating eyes of a Fatima or a Zoraida. Negroes and Moors in chitabas battle for your baggage with loud cries; the bells of the water venders are silvery; running water tumbles from terrace to terrace down into the adjacent ravine; music, from tambourines, violins and guembris, thrum through the hot air; little dim shops under awnings gleam with incrustations of mother-of-pearl on black-wood escritaires; lustrous mules jingle past with purple blankets and copper stirrups; the smells are atrocious; an enormous, half-nude negro fries fish in an open doorway; a chorus of children learning the Koran is accelerated by the angry accents of a bearded teacher; pigeons whirr around lattice and minaret and mosque; long Moorish caftans rustle down the street; and out of the sea of white-gowned figures in the market bob dozens of red fezes. And just beneath the surface of this bizarre, other-worldly scene is all the vice of a frontier European station—nude Jewish dancing girls, opium dens, gambling dives, twisted, ugly centres of prostitution.

It was my first day in Tangier. I had seated myself in a café that sprawled out across the sidewalk under striped awnings. A dancing girl—a drift of white and pink—glided sinuously in and out among the tables. Near me sat a French officer with a string of medals fluttering on his sky-blue uniform. At a lull in the clink of glasses, the babble and the throbbing of the tambourines, he leaned over to ask me for a match. We struck up a conversa-



Map of Morocco showing the regions where the Spanish and the French respectively are engaged in waging war against the natives

tion and became boon companions for the remainder of my stay.

He soon detected in me certain French sympathies; and I discovered in him ugly animosity toward the Spaniards. It was up on the ramparts of the high castle of Alcazaba, set on the central hill of Tangier, that he remarked:

"Things will never go right here until France takes over Tangier."

"And Morocco?"

"Morocco, too, must be ours. And we must act soon. We cannot afford to have hostility in our colonies when the next war comes. Morocco must be tamed, regulated and consolidated with the rest of our North African possessions. With the wall of Sahara and North Africa at our backs we shall be impregnable. When that day comes we won't need Britain, no, not even the United States."

Below us circled the bold terraces. The yellow sun cut a sharp angle on a white wall. Out of the tangled nest of flat roofs bulged the cupolas of mosques like enormous plaster eggs. The minarets gleamed against the white

chalk cliffs. A dank alley curved down under an arch to the pale blue sea, where floated a fawn-colored sail. Far below us drowsed the Mussulman quarters. The night before they had swung in the ravine like a hammock of sapphire; now they seemed more like a mangy dog curled up at the foot of the white hill. Toward the landward side rose tall palms. Three forlorn roads to Djebel Rubin, Rumla and the Angora country—untraveled save by one slow-moving caravan—stretched away to the sun-baked mountains across a desolation of sand and cactus and tawny rolling plain which, at first sight, did one not know the strategic importance of Morocco in world imperialism, would answer perfectly to the description of Fortinbras: "A little patch of ground that hath in it no profit but the name."

IN BARCELONA

Two months later I was in Barcelona, which was seething with violent syndicalists and angry secessionists. While I was there the Irish patriot, MacSwiney, died in jail from a hunger strike directed against the violence of the

Black and Tans; and the British consulate in Barcelona was stoned, with cries of "Long live the Republics of Ireland and Catalonia!" On the Grand Via Arguëlles I saw the Spanish red and yellow flag torn down and in the leading theatre heard the strains of the *Marcha Real* drowned out by the hisses of the enraged audience. In Tangier I had been told that Spain was steadily advancing upon the Riff strongholds. But here in Barcelona I heard news of disasters; rumors—underneath the blatant official proclamation of the Dato Cabinet—of ugly reverses and horrible maltreatment of the improperly equipped Spanish soldiers. Here in Barcelona company after company of marching troops, in blue coats and scarlet pantaloons, swung down the avenues to embark. But the news of Moroccan defeats, coupled with the sullen spirit of Catalán independence then abroad, made transshipment for the local boys a hateful thing; and the day before I sailed for Genoa a company of Catalán recruits mutinied. The leaders of the mutiny were promptly put in chains and sent over to the prison ships in Majorca. But Dato was assassinated soon afterward; and in July, a few months later, occurred the terrible defeat of the Spanish column of 20,000 men under General Sylvestre, as a result of which the Spanish Government was formidably shaken.

Nearly two months later, at the American consulate in Rome, I met an American ex-doughboy who had deserted from the Spanish Foreign Legion in Morocco. He had suffered incredible hardships. So badly was the Spanish commissariat organized and administered that for six weeks he had tramped barefoot over stones and cactus. Often for days at a time his company had been without food, at times without water. For two months he had not been able to bathe and his body had become covered with lice and sores. To escape he had walked through the desert, risking health and life, into Algiers. From Orán he had worked his way on a coast vessel to Tunis, where he had stowed

away in an Italian boat bound for Naples. When I saw him he was still without shoes and in a most miserable condition.

Illuminating as are these personal glimpses, they fail to reveal the full international ramifications of the Moroccan problem. Four countries—now that Germany is actively eliminated—will figure in the final determination of the fate of Morocco; and out of their conflicting claims is likely to grow discord that may have far-reaching consequences. These countries are Spain, France, Italy and Great Britain.

SPAIN'S RIGHT OF POSSESSION

If Morocco is to fall to any European country, Spain would seem the logical recipient. Under one pretext or another during the nineteenth century, and even earlier, the Spaniards established garrisons in many of the coast cities: Ceuta (1580-1860), the City of the Seven Hills, one of the Pillars of



ABD-EL-KRIM

The leader of the Riff tribesmen who are waging war against the Spanish forces in Morocco

Hercules; aristocratic Tetuán (1859), with its tall towers rivaling the Giralda, in the shadows of which live the descendants of the 500 families who, centuries before, fled with heart-broken Boabdil from the paradise of Granada; rock-bound Melilla (1490, 1859-94), the entrepôt of the Riff district; and Ifní (1883), shrine of Sidi Ifní and fishing station opposite the Canaries.

When, therefore, the French agreed on April 8, 1904, to relinquish claims upon Egypt for a free hand in Morocco, Spain was quick to declare herself the legitimate heir. At a conference held later in the same year, France agreed to allow Spain to exercise a police protectorate over the coast plains and the Riff mountains back to the Chachouan region (18,360 square miles); while France would look after the hinterland (almost down to Cape de Oro), which includes the rich Atlas range and fertile, well-watered plains (213,000 square miles). This arrangement was endorsed by the Algeciras conference of 1906. This conference, which had been forced upon France by Prince Bülow of Germany, had been preceded by the visit of the German Emperor in Tangier and by German recognition and patronage of Sultan Abd-el-Aziz.

This insistence by Spain upon her rights has proved a curse, for both Spain and Morocco have been kept in turmoil ever since. Undoubtedly Spain has had till now a far more difficult task than France. Not only is the Spanish zone strategically difficult to hold, but it contains the two most troublesome elements: the Jabala tribes, at that time under the leadership of the wily Raisuli, who called forth Roosevelt's ireful "Perdicaris alive or Raisuli dead"; and the cunning, suspicious, warlike mountain Riffs. In addition, these Berbers and Moors of Morocco have a hearty contempt for the Spaniards. This is explainable. The Berbers thrice overran Spain and for many centuries held the best portions of the Iberian peninsula. The Moor's pride of ancestry and memory of a magnificent past lead him to despise the Spaniard as the member of

a wholly inferior race. Some of the wilder tribes do not shrink from burying captured Spaniards neck-deep in the hot sand and abandoning them there, after pouring honey over their heads to attract insects and flies.

Since the Spanish landed troops in 1909, their attempts to control their share of Morocco have resulted in a constant drain upon the National Treasury and disastrous losses of men and prestige. These have had unpleasant reactions on domestic affairs. Time after time reverses or mismanagement in Morocco caused alarming Cabinet and bureaucratic upheavals, which finally culminated in the military coup of Primo de Rivera in September, 1923. Ever since 1909, the various Premiers have resorted to every sort of expediency to compensate for inability to carry out successful military operations. Premiers Alba and Maura were reduced to bribing native officials and to scandalous ransoming of Spanish prisoners. Raisuli, who by his banditry and kidnapping of Europeans had so exercised the outside world, was bribed into ostensible friendship with 1,000,000 pesetas and a Governorship. After the Spanish column of General Sylvestre was wiped out in 1921—an event of which Abd-el-Krim said, "God planned it, but I was present"—hundreds of thousands of pesetas had to be spent in ransoming captured Spanish soldiers. General Berenguer, Commander-in-Chief of the Moroccan campaign, member of a historic Catalán family, was disgraced and under the present Dictator sentenced to imprisonment.

DIRECTORATE'S POLICY OF RETREAT

Since Primo de Rivera's advent, one main policy has been followed: The retirement of the Spanish forces from the Riffian hills to a line of defense along the coast. This line is actually longer than that previously held, longer, in fact, than Hindenburg's line during the World War. But the changed policy avoids irritating the interior tribes. To accomplish this withdrawal meant open betrayal of Raisuli, and so, to secure



L'Illustration (Paris)

A Moroccan village typical of the country in which the French are conducting military operations

peaceful evacuation, Primo de Rivera handed over to him some 400,000 pesetas and considerable war material. Blasco Ibáñez, in his latest anti-royalist pamphlet, characterizes this latest policy of Primo de Rivera in the following language:

Manuelito de Jeréz, the grand captain of Alfonso's reign, has invented a new kind of tactics. He has given money to the Moors, so that they will allow him to fall back unmolested, and he has presented them with rifles and all kinds of material with which they may later continue their attacks.

Certainly Abd-el-Krim benefited. He soon gained another advantage. Raisuli, the erstwhile friend of Spain, was surrounded as he lay sick on the sacred mountain of Mulai Abdes Salaam; he sacrificed oxen to the attacking Riffs and surrendered all his forces and his treasury to Abd-el-Krim, thereby forfeiting his prestige and power over his own people and permitting the unification of all the tribes of the Spanish zone under one leader.

Primo de Rivera declared this with-

drawal to be purely strategic to establish an effective blockade of the interior. According to Abd-el-Krim this blockade has never been effective; even regular mail service is carried on between the Riffs and the coast. After the Riff attack in French Morocco, M. Malvy, the French Deputy, was hurriedly sent to Madrid on a special mission by the French Government, not only to negotiate for greater freedom of action in the war against the Riffs, but to induce Spain to maintain a stricter blockade, that will cut off all supplies to Abd-el-Krim. His return, after effecting a part at least of the desired understanding, was announced toward the end of May.

But probably Spanish corruption is in such an advanced stage as to be incurable, so that a rigorous blockade is quite out of the question. When I was in Madrid, the same mail carrier who brought me my letters offered to sell me contraband tobacco at half the price charged in the Government stores. The Spanish bureaucrat and militarist is too steeped in underhanded trickery

and graft to maintain any integrity when a little profit appears possible. Indeed, I have been personally informed by reliable parties on the ground that now that Abd-el-Krim is attacking the French instead of the Spanish, the Castilian officials find it excellent business to trade in contraband arms; that certain English munition agents have free entry from the coast to the interior, and that the whole region is honeycombed with ammunition "bootleggers." If Primo de Rivera sincerely aims at effective blockade he is foredoomed to failure.

PEACE PROPOSALS

Another important move of the Dictator has been to try to negotiate peace with the Riffs. He first offered to meet Abd-el-Krim personally in any spot the Moroccan leader might designate, each leader to be accompanied by 2,000 armed men. Primo de Rivera stated at the time that his first demand was for disarmament. His proposal was as follows:

I am proposing autonomy; not autonomy restricted to its smallest terms, but full and free autonomy, involving very largely independence. It must be clearly understood, however, that Spain is the guarantor of the sovereignty of the Sultan of Morocco (Mulai Yousef), and Abd-el-Krim must recognize the sovereignty of the Sultan and reduce his army to reasonable strength—enough, for instance, to guarantee a police reserve through his territories and to protect his person and the person of his brother—and we will be ready to give him a free hand and to go the limit in aiding him.

Abd-el-Krim, however, refused to recognize the Spanish assumption of a protectorate, and, perhaps, fearing treachery or considering diplomacy demeaning to his status of "Sultan," would not meet Primo de Rivera. The Spanish Dictator thereupon loudly announced his intention to raid Agadir, the headquarters of Abd-el-Krim, by landing a punitive expedition at Alhucemas Bay. But at the same time he arranged for a conference with representatives of Abd-el-Krim in Gibraltar, sending thither Señor Horacio Echevarrieta, the Bilboan

millionaire, who had negotiated the ransom of prisoners in the days of the Premiership of Alba. Señor Echevarrieta was succeeded by Señor José María González, and more recently by a foreigner of whom *Le Courier Catalan*, a Paris propaganda paper, has the following to say:

Then General Primo de Rivera selected a foreign negotiator. This is M. Behn, the founder of the *Compañía Nacional de Teléfonos*, M. Behn was the organizer, with Señor Orestes Ferrara, the well-known Cuban manipulator of the cession of all the telephones of Spain to a group of North American financiers. * * * On this occasion the telephones constructed by the *Mancomunidad de Cataluña* were handed over gratuitously to M. Behn's company. * * * Since the illegal consummation of this negotiation, M. Behn has had daily more influence in Spain. For this reason, it is to a certain extent logical that M. Behn should be entrusted with the delicate mission the Dictator has given him in the name of Spain.

Under consideration at the same time, declared *Le Courier Catalan*, was the question of the construction of a railroad from Irán to Algeria (a favorite project of Alfonso XIII); and also the granting of concessions of Riffian mines to a consortium of North American bankers. M. Behn has since returned. *Le Courier Catalan* commented as follows:

This financier has found, it seems, a North American solution of the Spanish-Moroccan problem. * * * The solution proposed * * * is evidently backed by the English financial group of Gardiner, which is the group, as is well known, that provides Abd-el-Krim with arms. The Gardiner group has numerous agents in the Riff and has undertaken mineral surveys in the famous Riff Republic. These surveys are the basis upon which has been elaborated the American solution. * * * An American syndicate, in short, agrees with Abd-el-Krim to exploit a sector of some eighty kilometers wide extending from the coast at the Bay of Alhucemas back to the French zone.

Whatever the outcome of the Spanish-Riffian negotiations, the handwriting on the wall seems clear enough. Spain, though apparently strongly unified under the Directory, is actually in a pre-

carious financial and social position, quite unable to take the field in Morocco. She is gnawed by many cankers which are undermining her stability. Above all, she is faced in Catalonia with a problem that is constantly growing more menacing and may one of these days result in a secession movement of the Catalán peoples which would mean civil war, recrudescence of a virulent spirit of regionalism among the Basques and elsewhere, and internal disintegration. These internal considerations and the widespread unpopularity of further war in Morocco tie the Dictator's hands. Yet, if Spain makes a peace with Abd-el-Krim that strengthens his financial and military position and permits him to assume aggressive tactics against France, she will abandon her rights under the agreement of Algeciras. On the other hand, she is quite unable to establish an effective blockade. Spain faces the unhappy dilemma of not being able to be either the enemy or the friend of Abd-el-Krim.

For all these reasons, Spanish Morocco seems fated to pass into the hands of some other power. Spain, originally France's catspaw to allay the fears and

jealousies of England, Germany and Italy; and England's and Germany's catspaw to block France's attempt to control the Straits of Gibraltar, may any day be pushed aside. Morocco is likely to be Spain's second Cuba; France may be the wary recipient.

FRENCH ASPIRATIONS IN MOROCCO

French aspirations in Morocco are part of a grandiose imperialistic design. As M. Eugène Etienne wrote in 1905: "Upon the solution of the Moroccan questions depends to a large extent the very existence of our country." Algeria, Tunis, Sahara, Senegal, Niger Territory, French Equatorial Africa and French Morocco, taken together, form a vast hinterland almost as large as Europe itself; and with the development of modern aerial communications this colonial-territory has been made virtually contiguous with France. Upon the exploitation of the resources of this vast African region depends France's future power in Europe and in the world. Here is the key to the continuation of French political and military domination of Continental affairs. When all the unruly sections have been pacified, com-



Photo by May Mott-Smith

A view of Tetuan, Morocco

munications fully developed, mines opened—and since the war these developments have been pushed on apace—then French Africa will not only serve to provide the tropic products so essential for all those complex modern industries based upon synthetic organic chemistry, but, according to French publicists, it will provide France with an inexhaustible military reserve. During the World War France used over 163,000 negroes from West Africa. On Feb. 4, 1919, French citizenship was granted to all native Algerians who had served in the Army and Navy, who were landowners, farmers or traders, who could read or write French, or who held a French decoration. Since the war France has established conscription among her millions of black subjects. As a nationalistic publication stated in 1922: "The negroes whom we have guided into the path of progress must then repay to us in the form of battalions the benefit they have received from us. These semi-civilized people will contribute admirable service to the defense of civilization."

To realize these ambitions, however, the French must be reassured of the peace and loyalty of the African peoples in time of trouble. But in Algiers especially the inhabitants are allied in blood and religion to the hostile tribes of Morocco. To control Algiers effectively and round out her colonial domain France needs to put Morocco on an efficient colonial basis.

The Morocco-Algiers boundary was fixed by the treaty of 1844, but in 1900 France passed over this, boldly annexing the oases of Figig, Igli and Tuat. In April, 1904, England, in exchange for concessions in Egypt, agreed to give France a free hand in Morocco. France's policing powers were further recognized by the international agreements of 1906 and 1909. In 1907 France seized a pretext to land troops in the holy cemetery city of Casablanca, on the Atlantic Coast; and in 1910 a general uprising of tribes called out a French pacificatory expedition; this force occupied Fez, the capital, the following year. This

was countered by the brusque action of Germany, who sent a cruiser to Agadir and demanded from France an accounting of Moroccan affairs. A Franco-German treaty was signed in November, 1911, by which Germany received a portion of French Equatorial Africa and recognized France's political protectorate over Morocco. On March 30, 1912, Sultan Mulai Hafid was obliged to sign a treaty with France. This pact was recognized by the powers. After the appointment of the present French Resident General, Lyautey, further disorders terminated in the abdication of Mulai Hafid in favor of his brother, Mulai Yousef, who has been a faithful French tool. Nevertheless, rebellions continued to occur and the tribes were further stirred up by the Germans during the World War. The last outbreak, in October, 1920, was drastically crushed by the French capture of Wazan.

ITALY'S INTEREST IN MOROCCO

Italy's interest in Morocco is least direct. It is wrapped up with Italy's ambition to control the Mediterranean and her knowledge that Morocco is a most important key to that control. After Victor Emmanuel's forces finally battered down the gates of Porta Pia to enter Rome in 1870, to wrench away the possessions of the Holy See and to found modern Italy, the successive Ministers of the realm turned their active attention to the creation of a land and naval strength commensurate with their desire to play a prominent rôle in European affairs.

The definite objectives of this policy were two-fold: the annexation of all Italian-speaking areas; and a resumption of the historic status of Italian domination of the Mediterranean. Above all, Italy dreamed of controlling the old Carthaginian areas of North Africa. But as yet the Italian Government was too weak to risk war with Turkey or to antagonize the Great Powers. France had annexed Algiers in 1848. It was not until 1882, however, that the French, much to Italy's chagrin, seized Tunis.



Burton Holmes from Ewing Galloway

Moroccan cavalry at Rabat

Temporarily frustrated in North Africa, Italy, under the leadership of the dynamic Crespì, turned her attention to winning a colonial domain—Eritrea and Somaliland—in the Abyssinian region near the outlet of the Red Sea. In 1910, as the designs of the Powers upon North Africa became more flagrant, Italy rushed into war with Turkey and occupied most of Tripoli. Subsequently, Italy, as a result of the Treaty of London, which led her to enter the World War, was allotted part of Italia Irredenta and a sector in Asia Minor. This was all the outgrowth of Italy's dream of completely dominating the Mediterranean area. Italian political leaders feel that Italy should ultimately control all North Africa. Hence, though her boundaries in Tripoli were "rectified" following the World War, she is by no means satisfied with her present position and looks with dread at the steady encroachments of France.

Two things are worrying the Italian Foreign Office—English control of the Island of Malta and French control of Tunis, for these military bases obstruct the Italian line of communications with Tripoli, nullifying the military importance of her colony. The hotheads of Italy clamor for the annexation of Tunis on the grounds of national security, historical precedent and the preponderance

of Italians among the foreign population. It has even been claimed that Tunis is full of Italian reserves ready to snatch up arms in case of a crisis. Italy's ill-disguised desire to possess Tunis, furthermore, bears directly upon the Moroccan question. When France some months back brought pressure on Spain to permit the landing of French troops in the Spanish Moroccan zone for the purpose of assisting pacification, Mussolini promptly sent an energetic note to the Quai d'Orsay declaring that if France extended her frontiers in North Africa, Italy would demand a new shuffling of possessions and even suggesting that Tunis would be an adequate compensation for French occupation of Spanish Morocco. Herriot sent a sharp reply, reminding Italy of her prior agreement to accept Tripoli as her share of North Africa and informing her that she had nothing further to say about trans-Mediterranean affairs. Here the matter rested, but it is certain that the Quirinal will look with a jealous eye upon any shift in African boundaries and will do all within her power to resist further French expansion in the Mediterranean. Italy would even like to own Morocco, but she has no live hope that she can win a position in that country at the present time. But certainly any change in the status quo in

Morocco will be seized upon by Italy to obtain concessions from France. If France should refuse all readjustment, then Italy would very likely resort to more energetic measures to frustrate French ambitions.

NEW INTERNATIONAL COMPLICATIONS

But now new trouble has come from without. The recent invasion of Riff tribesmen across the border from the Spanish zone in a drive on Fez—the attempt of Abd-el-Krim to establish himself as the active Sultan of all Morocco—have introduced international complications of far-reaching significance. Bloody battles have been fought; and though the French have apparently succeeded in driving the Riffian tribesmen back across the frontier, this has required skillful tactics, a call for heavy reinforcements from France and an outlay of an additional 5,000,000 francs for Moroccan pacification. Large further appropriations were granted in June.

These events have brought French and Spanish relations to a crisis. France has repeatedly called upon Spain to comply with her obligation to establish order in her part of Morocco. Hints in the French press have indicated great eagerness on the part of France to take over the Spanish zone. The Spanish press has commented on this French desire cynically. But it is doubtful if France will look with equanimity for any great length of time upon the organization of native military expeditions within the Spanish lines, expeditions armed with munitions smuggled from the coast for the purpose of attacking the French position. Indeed, it is doubtful if France can successfully terminate the war against the Riffs unless it is carried definitely into Abd-el-Krim's territory, a step which might result in permanent French garrisoning. This would upset Spanish Riffian negotiations and shatter the status quo in the Mediterranean, but the benefits that would accrue to France from an imperialistic standpoint, are obvious. Quite aside from the problem of Abd-el-Krim, French occupation of the whole of

Morocco would result in prompt pacification, the inauguration of important development projects, the perfecting of communications and a unification of administration that would bring about a more efficient functioning of the entire French African empire. France, once having achieved hegemony over the entire western end of the Mediterranean, would have an inseverable line of communications with the subject hinterland.

BRITAIN'S FEAR OF FRENCH-AFRICAN POLICY

The main actor in the Moroccan drama, however, may yet prove to be England. English public opinion has been considerably stirred by stories of astounding material progress being made in the French-African colonies, and the English look with fear upon France's use, past, present and future, of African soldiers adroitly imbued with loyalty to the French nation. England for herself could never achieve such a result in her own case, because of her stern adherence to the color line and her Kiplinesque theory of the "white man's burden." England is keeping a most anxious eye upon French politics in Morocco. So long as Spain remains in control of the coast area, England has little to fear, but the day that France decides to liquidate Spain's bankruptcy and take over her sphere of control in Northern Africa, England's most powerful Continental rival will stand fully armed at the gates of the Mediterranean, and the possession of Gibraltar (which could never be held against modern artillery mounted on the adjacent hills) will be vitally important. Five years ago England might have traded Gibraltar for Ceuta, the other Gate of Hercules on the African shore, which is perhaps more valuable strategically and the possession of which would not be such a thorn in Spanish pride. That chance is apparently gone, but that England will calmly permit her hegemony of the Mediterranean and the security of her trade routes to India to be destroyed or even menaced, is very unlikely. Gibraltar, Malta, Cypress, Palestine, Egypt, Soma-

liland, Sokotra, call the roll of British outposts, bold symbols of England's concern down through the centuries for the maintenance of strategic strongholds all along the road to India and the Far East. French control of Northwest Africa would break the chain. Before that day comes Great Britain is quite likely to lift up her voice in protest, and the lion rarely roars without knowing its quarry. This may bring about a complete realignment of alliances in Europe. Some competent observers see in Morocco another Serbia and insist that here in Morocco has been laid a new fuse to a new world conflagration and that recent events may be the spark that will light that fuse.

MOROCCO'S NEW "SULTAN"

In the centre of the maelstrom towers the lonely, picturesque Abd-el-Krim, "Servant of the Merciful One," leader of the Riffs, and by his own decree (1922), Sultan of all Morocco, "the only true Sultan since Abd-el-Aziz before the coming of the French." Abd-el-Krim declares:

The sovereignty of Mulai Yousef over Morocco is a myth which all the Powers have resolved to believe, but we know that Yousef is a prisoner of the French and that he can not and does not wish to take any initiative in his own name. We do not wish to recognize the sovereignty of any prisoner, even if people give him the title of "Sultan." On the contrary, Yousef's title to the throne is doubtful, as the French have deposed two of his brothers to give him the sovereignty.

Abd-el-Krim, this new despot of the primitive Moslem tribes of Northwest Africa, holds his headquarters in Agadir, the scattered village which is now the Riff capital. Usually he conceals himself from the popular gaze, after the approved fashion of all Oriental despots; but when occasion demands he is not averse to using the telephone, his motor cars and motor boats, for, declares Abd-el-Krim, "The Koran demands despotism, but does not forbid modernization." This new Sultan is the son of a *cadi* or judge of Melilla, and has a knowledge of Spain derived from residence in Málaga, and a knowledge

of Spanish justice and Spanish jails derived from a week's imprisonment "for talking Moroccan independence." His rise to leadership has been meteoric. Today he is the bold instigator of a new Holy War which is also a national war; and all the able-bodied tribesmen of the Riff have been summoned to serve under the holy crescent. He is the mysterious leader of the "ashrardah," those whirling, galloping raiders, uniformed in homespun djellaba and straw sandals, who have driven back the Spanish, subdued the treacherous Jabalas, made the great Raisuli prisoner and declared Morocco free and independent of the outside world. Now, under the generalship of him and his brother Mahmed, "the rider of the snow-white charger," a man trained in the military academy of Madrid, the tribal chiefs have been whipped into line and their nomad forces shaped into a semi-modern military machine.

Will Abd-el-Krim, who has shown such astounding energy, such bold ability to organize and discipline his people, be able to play the conflicting avarices of the Mediterranean Powers one against the other and carve out an independent State? Abd-el-Krim, sitting under the imperial umbrella of the old Shariffs, smilingly announces from his palace in Agadir that he will not rest until the whole of Morocco has achieved independence and been united under a native Government. Is this the turning of the tide of European imperialism in Africa and the emergence of successful native autonomy? Or is Abd-el-Krim himself the unwitting puppet of foreign intrigue? Will France toss Spain into the dustheap and advance upon all of Morocco? Or will the French Socialists and Communists force complete withdrawal of French troops? What will be England's rôle? Will she secretly lend aid to the natives to frustrate France? Here are the shifting winds of conflict that sooner or later, if not now, then a decade or a quarter of a century hence, are likely to fan alive the flame of old smoldering animosities and threaten again the peace of Europe.

India's Struggle for Education

TWO PHASES

By Vasudeo B. Metta, on Behalf of Indian Nationalism, and Major Francis Yeats Brown, on Behalf of the British Administration

This article and the article that follows, written by a highly educated Indian and by a former British officer in the Indian Army, respectively, deal with a subject of absorbing interest to every student of national psychology, especially the contrasting psychology of East versus West, the cultural and "spiritual" effect of British rule in India. Mr. Metta, who was educated in Cambridge University, England, and who is widely known in his home country, the Bombay Presidency, as well as in England, as an authority on Indian and Oriental culture, sees British administration in India as a paralyzing and crippling influence on the Indian soul and interprets the rise of hundreds of national schools and colleges all over India as part of a vast movement by the Indian people to recover their national heritage of culture and tradition and to shake off the blighting effect of alien educational training upon the minds of the younger generation.

Major Francis Yeats Brown, equally well known as a serious and broad-minded interpreter of Indian affairs, and who, like so many other British officials stationed in India, employed his leisure in studying at close range the problems of the vast and seething alien race over which his Government rules, gives another and a different view of the situation. He points out the vast difference between the Western and Eastern conceptions of education and the difficulty of finding a solution. He frankly admits that Great Britain has perhaps not done her full duty in the premises, but brings out into strong relief a number of serious obstacles to the attainment under British rule of the ideal of universal education in India, stressing the fundamental lack of civilization of no inconsiderable portion of the land's vast population.

I. FROM THE STANDPOINT OF AN INDIAN NATIONALIST

By VASUDEO B. METTA

Barrister; Author of "Awake, Princes," and "National Education"

THE discontent with which India is seething today is not of sudden growth, due to the preachings of a dreamer and visionary like Mr. Gandhi, as many people seem to imagine. It started at least fifty years ago. There are four main reasons which have caused Indians to feel resentment against their British rulers: (1) The fact that the English take no real interest in India; (2) the social cleavage that exists between the Indians and their rulers; (3) the unnatural system of education in Indian schools and colleges; (4) political reasons.

It is difficult to understand why the British feel so little interested in India after two centuries of connection with the country. After extensive traveling

in different parts of the world, I have found that a well-educated American, German, Austrian or Russian knows more of the higher side of Indian life and thought than does an Englishman who is equally well educated. The cultured Britisher may read Plato or translations of the Chinese poets, discourse enthusiastically on the mysticism of the ancient Egyptians or the suggestiveness of Japanese art, but, with the exception of a few theosophists, he cannot be induced to take an interest in the higher aspects of Indian civilization. Germany has no connection with India, and yet some of her greatest men, such as Goethe, Schiller, Heine and Schopenhauer, were inspired by India. The Irish poets of our times, men like W. B.

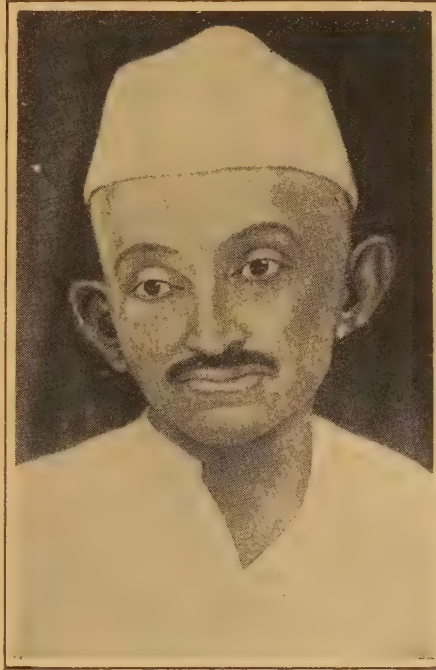
Yeats and AE (George Russell), have always been fond of India and tried to express the soul of India in some of their best poems. But how few great English poets have owed their inspiration to India! Southey wrote "The Curse of Kehama," it is true, but that work hardly deserves to rank as poetry. Sir Edwin Arnold's "Light of Asia" is very little read in England. There is the same indifference toward Indian philosophy in England. An American Emerson or a German Schopenhauer may drink at the fountain of Hindu wisdom, but no English philosopher has ever dreamed of doing so. England somehow prefers a Kipling to a Sir Edward Arnold as a guide for forming her ideas about India.

There is no social intercourse between the British and the Indians in India. The former live in small colonies and take absolutely no interest in life around them, except for administrative purposes. Their India, in fact, is not the India of the Taj Mahal, of the sages of Benares, of the Indian philosophies and arts, which are older than those of the West, but it is the "Little India" in which they live, flirt, drink and play; the India of Kipling's "Plain Tales From the Hills." Many of them work conscientiously in their offices, but even while they are working their heart is in their "Little India" and their far-off home in England, and hence they show little more than mechanical efficiency.

The British are fond of saying that

they dispense justice impartially and that to them one Indian community is as good as another. This is more or less true; but the reasons for their impartiality are obvious. As they belong to none of the Indian communities, they cannot possibly feel more partial toward one Indian community than toward another. But when it comes to impartiality in any matter that concerns them and the Indians, they are very far from fair and just.

Mr. Forster, an English novelist, has shown in his recently published novel, "A Passage to India," what meanness, pettiness and even unscrupulousness characterize the British when there is a clash between them and the Indians. In fact, the Anglo-Indians—as the English in India are still called—have formed a caste of their own and arrogated to themselves all sorts of rights and privileges, which prevent them from being fair toward Indians.



Wide World Photos

MOHANDAS K. GANDHI

The educational system which the British established in India about three-quarters of a century ago is unnatural in the extreme. It is not suited to the needs of Indians. Instead of giving free scope to the various faculties of Indian students, this system represses those faculties. Its object is not to turn out good Indians, but pseudo-Englishmen. Lord Macaulay, the great historian of England, when education member of the Governor General's Council, declared in his usually omniscient manner that there was nothing worth study-



International

Mrs. Gandhi (in front) teaching Indian women to weave

period of their lives in mastering Western thought, realize that they know very little of the West. As they have not gone to Europe, they cannot really understand the European peoples' ways of thinking, feeling and acting, of which those peoples' languages and literatures are an expression. It would be equally impossible to make an American or a British boy who has never been to China understand the Chinaman's ideals of art and life.

The worst result of the education that Indians receive in schools and colleges is that it makes them depreciate the value of their own history, culture and traditions. They are taught to

ing in the literatures and philosophies of either the Indians or any other Oriental peoples, although he had never taken the trouble to study the works of Indian or other Oriental writers! His successors echoed his idea with an almost equally meagre knowledge of the higher side of Indian and Oriental life. The result is that Indians are still taught European literatures, philosophies and arts through the medium of English. They get hardly any chance in the governmental schools and colleges of learning their own languages, literatures and philosophies. And what is most tragic is that the majority of Indian students, after spending the most impressionable

regard their history as one long record of internecine warfare, with hardly any progress of any kind in any domain of life. They are almost led to believe that their religions are a mass of stupidities and superstitions. They are given to understand by their European professors that the Indian systems of philosophy are crude and devoid of logic. They learn to talk enthusiastically about ancient Greek music, but they take no interest in their own still-living system of music, which in many respects is similar to that of the Greeks. They discuss the science of the Greeks and the Arabs, but they know nothing of the science developed by their ancestors and which

was probably the original source of Greek and certainly of Arabian science.

The reaction against such an unnatural and denationalizing system of education was inevitable. Nations, like individuals, wish to think well of themselves, and therefore they discover partly real and partly imaginary reasons on which to base their superiority over other nations. The British are convinced that in sense of honor, in sporting spirit, in honesty, in their poetical literature, they are superior to all other modern peoples. The French, Germans, Japanese and Americans are equally convinced of their superiority over other peoples in certain respects. Similarly, the Indians have convinced themselves that they excel other peoples in spirituality. "Has not Hindu religious thought conquered half the world for some two thousand years?" they ask. Nor can their contention be denied, for the followers of Hinduism and Buddhism, both of Indian origin, make up about half the population of the world. Did not Indian spiritual thought influence some of the greatest Egyptian and Greek thinkers? British writers like the

late William Archer tried to ridicule the Indians' claim to spirituality, but they did not succeed, because the facts support the claims of the Indians. It would be absurd to say that all Indians are spiritual, since the majority of Indians, like the majority of other peoples, have to devote most of their energies to the very material necessity of earning their daily livelihood; but a nation which can produce men like Buddha and Asoka, books like the Bhagwad Gita and buildings like the Taj Mahal, must surely have something spiritual in its character.

GANDHI'S REVELATION OF INDIA'S PAST

The whole Gandhi movement is based upon this idea of Indian spirituality. In his speech delivered at the Gujerat Political Conference in 1917 Mr. Gandhi said:

The divine word that "India alone is the seat of Karma (action), the rest is the land of Bhoga (enjoyment)," is indelibly imprinted on my mind. I feel that India's mission is different from that of other countries. India is fitted for the religious supremacy of the world. There is no parallel in the world



Indian women drawing water from a well at Secunderabad

for the process of purification that this country has voluntarily undergone. India is less in need of steel weapons. It has fought with divine weapons. It can still do so. Other nations have been votaries of brute force. India can win wholly by soul force.

A great many Indians had become slaves of the present and contemptuous of their past under the British, until Mr. Gandhi came and revealed to them the beauty of that past, of their history, their legends, their arts and crafts, their philosophies and their traditional spiritual aspirations. A rational man might perhaps say that Mr. Gandhi has exaggerated the beauty of India's past and refused to see its ugly side. But you cannot condemn Mr. Gandhi's extremism without at the same time condemning the extremism of the British, who refuse to see the greatness of India's past, and make too much of the achievements of England and the rest of the Western world. The ancient civilization of India may not have been perfect, but what civilization, ancient or modern, has been perfect? One thing, however, must be said in favor of India's civilization, and that is that it creates a spirit of cooperation among its people, which is the surest means of creating harmony and stability within a nation. The civilization of Greece and Rome perished because their peoples, inspired by the spirit of competition and class warfare, fought against each other and destroyed themselves. In India, however, the caste system prevented such a catastrophe. The Kshatriyas (the warrior caste) never tried to fight the Brahmins (the priestly and learned caste), since the duties of their caste toward the rest of society were as immutably fixed by religion, law and custom as were those of the Brahmins. For the same reason, the Sudras (the artisan caste) never dreamed of fighting the Vaishyas (the merchant caste). It is also worth noting that internecine warfare becomes an impossibility in a society like that of India, where people are brought up to think in terms of Duty (Dharma) rather than in terms of Right, as in the modern industrialized societies of the West.

One of the results of the awakening of India to a realization of its glorious heritage from the past has been the establishment of universities where Eastern studies are given preference over Western studies. Mr. Gandhi long denounced the British schools in India. As far back as 1908 he wrote:

I feel that the nation's children suffer degradation in the Government schools. I feel that these schools and colleges are under the influence of a Government that has deliberately robbed the nation of its honor, and therefore the nation must withdraw its children from such schools.

To remedy this condition Mr. Gandhi considered it necessary to establish national schools and colleges; but being in South Africa at the time he could not take active steps to this end until 1915, when he returned to India.

NATIONAL SCHOOLS AND COLLEGES

Since that year, however, Mr. Gandhi and his followers have established hundreds of national schools all over the country. In 1920 the Gujarat Vidya-pith, or University of Gujarat, was founded by Gandhi at Ahmedabad, where about 1,000 students are being educated today. Besides Mr. Gandhi's schools and colleges, many other schools and colleges have recently been established in the country. The Vishwa Bharati University was founded by Rabindranath Tagore, the famous Indian poet and mystic, with the object of encouraging young Indians to take pride in their national culture and traditions. Then there is the Osmania University at Hyderabad, where Oriental history and philosophy are taught through the medium of Hindustani. In the Universities of Benares and Aligarh Hindu and Islamic studies are given preference over Western studies. Finally, there is the Indian Women's University at Poona, where women learn Indian culture through Marathi, Gujarati and other Indian languages.

The Nationalist movement has affected Indian artists also. Till the beginning of the present century these artists used to draw and model in the



De Cou from Ewing Galloway

A street scene in Bombay

European manner, because they were taught to believe that European art was the only art worthy of the name. Then about 1903 a group of young Calcutta artists started to draw and paint in the ancient Indian manner, the style of the frescoes of the Ajanta Caves. More recently a movement was started in Bombay to revive the art of mural decoration, which had long been neglected in India. In architecture, also, attempts are being made to revive the ancient traditions which have given to the world buildings of such surpassing beauty as the Taj Mahal, the shrines of Abu and the cathedral temple of Madura.

This whole national movement now actively proceeding in India shows that the Indians are a unified people today, fully conscious of their glorious traditions of the past and earnestly striving to regain their independence in the future—a people whose rights to self rule

are indisputable. Against this national demand the British oppose certain stereotype arguments. They say to the Indians: "You are not fit for self-government." On what grounds do they base this assumption? Certainly not on historical precedents. In the great Indian empires of the past, under the Guptas, the Rajputs, the Moghuls, Indians occupied all the highest positions in the administration of their country. If Indians had no talent for ruling they could not have produced such great rulers as Asoka and Akbar, such law-givers as Manu, such statesmen as Chandragupta and Todar Mull: If they have not been able to produce men as great as these under the British it is not their fault, because they have not been granted the opportunity to display their talents, for they have been given nothing but subordinate posts in the administration of the country. One may fur-

ther ask: "Can any one say on historical or cultural grounds that Indians are not fit for self-government, while the Abyssinians, the Afghans and the Arabs of the Hedjaz are?"

It is not true, as some British publicists say, that Indians are not fit to govern themselves because they are continually fighting with each other. This argument is based on the reports that appear in British papers. But these reports are often exaggerations of insignificant and comparatively rare incidents. I have shown that there is no spirit of rivalry among the different Hindu castes, and that quarrels among Hindus are therefore practically unknown. It is true that there are some-

times quarrels between Hindus and Mohammedans. But such quarrels are infrequent and are due to a few boudmashes or rowdies, belonging to the lower strata of Indian society. Although I am an Indian by nationality and have lived twenty years of my life in India I do not know of any occasion when higher class Hindus and Mohammedans ever quarreled and came to blows. It should also be borne in mind that although the Protestants and Roman Catholics in the sixteenth century were slaughtering each other in England, France and other European countries no one has ever dreamed of saying that the European nations were not fit to govern themselves in those times!

II. FROM THE STANDPOINT OF THE BRITISH ADMINISTRATION

By FRANCIS YEATS BROWN

Formerly Major in the Seventeenth Indian Cavalry

ALTHOUGH it may be fairly contended that the material progress of India has been immense under British rule, the mental condition of the people, judged by the Western standard of literacy, has not shown similar improvement. Indeed, the fact that out of the 247,000,000 people in British India (there are another 72,000,000 people living under native Princes) only 19,000,000 can read and write; and that at the present moment only 4 per cent. of the population are receiving primary education, raises a question which must be answered if British rule in India is to be vindicated.

Critics of the Administration have not been slow in pointing out the defects of the British educational policy in India, its overinsistence on Western learning, its unsuitability to Eastern temperament, and, above all, the inadequate funds at the disposal of the authorities. In the Philippines, the critics point out, schools have increased almost twice as fast as schools in India.

On one point only are British administrators and their opponents agreed: that until a broad and firmly based

scheme of popular education can be brought to fruition democratic government can exist only in name in India. At present barely 5 per cent. of the population are enfranchised, and that it would be possible to give the vote to a greater number immediately not even the most fervent Nationalists would venture to claim. It is only by extending the ideas of the masses and enlarging their outlook beyond the bounds in which tradition at present confines them that they can gain the impulse and energy necessary for the attainment of political and economic well-being. Without education there can be no nation in India such as her educated classes desire. That there is, then, a vital need for primary education, and that this demand has not been met, may be readily conceded. Are the British to blame for this state of affairs?

INDIA'S DEMAND FOR "HIGHER" EDUCATION

Both as regards the nature of the education to be given and the methods to be employed there exist difficulties and divergencies of opinion as little realized

by the outside world as they are neglected by the Nationalists within India's borders. The divergencies of opinion go to the root of the old dispute between Eastern and Western culture. Is the Western conception of civilization, based on names and forms and facts, to be accepted as the foundation of Indian education, or is there indeed a higher philosophy than that of pure reason? Mr. Gandhi declares that such a higher philosophy exists. His view is as follows:

The ordinary meaning of education is a knowledge of letters. To teach boys reading and writing and arithmetic is called primary education. What do you propose to do by giving a boy primary education? Will you add an inch to his happiness? Do you wish to make him discontented with his cottage and his lot? The foundation that Macaulay laid of education has enslaved us. * * * It was not that we did not know how to invent machinery, but our forefathers knew that if we set our heart after such things we would become slaves and lose our moral fibre. They, therefore, after

due deliberation, decided that we should do only what we could do with our hands and feet. They saw that our real happiness and health consisted in the proper use of our hands and feet. * * * I cannot recall a single good point in connection with machinery.

And without going as far as Mr. Gandhi, who believes that: "India's salvation consists in unlearning what she has learned in the last fifty years. The railways, telegraphs, hospitals, lawyers, doctors and such like, have all to go and the so-called upper classes have to learn to live the simple peasant life, knowing it to be the life-giving, true happiness," it is impossible not to sympathize with a recoil—indeed a revolt—from the arrogant attitude of the West toward Eastern learning typified in Macaulay's memorandum, wherein he dismissed Sanskrit, mother of language and grandmother of philosophy, as of little worth, recommending that English be adopted as the basis of all instruction.

Macaulay was no doubt mistaken.



The Art Institute, Madras

Ewing Galloway

Such smug conceit was not found in men whose lives were cast in India, such as Clive and Warren Hastings, who knew the value of Eastern culture. And though the average subaltern or minor civil officer does not busy himself with the wisdom of the Vedanta, or the beatitudes of Nirvana, the scholars of the English-speaking world are undoubtedly beginning to realize the debt they owe to Sanskrit. Some sixty Vedic and post-Vedic tests have been issued from the University of Oxford and some forty from Harvard. The Western awakening to the value of the ancient Aryan literature, with its strangely modern psychology and physiology (vitamins and auto-suggestion, for instance, were talked about by the shores of the Ganges 3,000 years ago), may yet have a vital effect on Western culture, or indeed assume the proportions of a new Renaissance. Both in India and England there is a growing body of students who realize that not Great Britain only but the whole world has much to learn from India. These thinkers deplore the tendencies which are urging the land of the Vedic sages and the birthplace of Buddha to exchange her heritage of philosophy for cheap political catch-words.

But admitting that India is old in her knowledge of the mind of man, she remains young in much that the West has discovered in the domain of matter. The question is, what sort of education does Young India desire?

INDIA'S UNCIVILIZED MASSES BAR PROGRESS

On the one hand are industrialists, demanding early vocational training; on the other, Mr. Gandhi, with his Tolstoyan rusticity. Between the two stand the Nationalist politicians, who, failing in their attempt to found schools of their own, now demand that the Central Government should immediately provide universal, free, compulsory, vernacular primary education. A large demand, yet a natural one. Every civilized nation demands that its children shall learn

current ideas of citizenship by these means. Why not India?

The answer lies in the economic and social condition of the people. Universal education presupposes civilization. India is both civilized and not civilized. It is a country of contrasts. Living within a few hundred miles of a poet like Rabindranath Tagore, or a scientist like Bose, wild human creatures wander in the forest under conditions similar to those of the Stone Age. Ten millions of these so-called "Animists" are scattered throughout the peninsula. Some drink the blood of human sacrifice, when the police are not there to prevent them. Others, more advanced, have substituted a pig for the human victim. Educated Indians have made no attempt to reform these tribes; that has been left to the much-maligned Christian missionary. Progress has naturally been slow. No Government could catch all these people and confine their children in schools. The experiment was tried, as a matter of fact, but proved a cruel failure. Yet as long as these forest people remain happy in their jungles and ignorant of the benefits that the Western educator would confer on them India will remain open to the reproach of being, statistically at least, an ignorant and unenlightened country. Again, there are many "criminal" tribes, such as the Nats and Doms and Changars, numbering their members by the million, to whom thieving and vagrancy are second nature, if not religious duty. Many a day must pass before these tribes can be settled, without undue coercion and cruelty. As to wandering beggars, it is calculated that there are 5,000,000 of them in Hindustan. Many are boys and girls of educable age, and according to popular belief they are learning the mysteries of life instead of the mysteries of the alphabet. Any attempt to take them from their favorite haunts would not unreasonably be resented. These people will be deprived of education for some time to come, whatever reformers and uplifters may do.

Then there is the serious question of the "untouchables," and though here

there is hope and signs of a change in Indian opinion, at present the barriers of caste and custom are at a height that we in the West can but dimly realize. The Nationalists, and indeed all educated Indians, are doing their best to diminish these barriers of class prerogative, but they still form a stubborn obstacle to progress. To alter family

of reform. Public opinion is against it. Municipal authorities have the power to compel students to attend school in the areas where the compulsory principle has been voted, but so far these bodies have shown great timidity in putting the principle into practice.

With regard to the medium of instruction the question at once arises: Which



Wide World Photos

King George's Outdoor Hospital, which forms part of the Lucknow Medical College. It is staffed by Indian natives and is said to be the finest medical college in India.

usages which have been hallowed by religion and confirmed by 3,000 years of practice is no light matter. It is to the lasting credit of Indians of the higher castes and an earnest of the seriousness with which educational problems are regarded today by Indians in India, that Brahman and "untouchable," as well as Hindu and Moslem, are being found together more frequently in the same schoolroom. But even if all teachable children were enrolled (and they are not, by any means) universality of education would still be but a pious hope until caste distinctions are either altered or abrogated.

The inability to apply compulsion generally is another snag in the current

of the vernaculars of India shall be adopted? Bengali, Hindi and Urdu are languages spoken by millions of children. To adopt one to the disregard of the others is impossible; to use all three, as well as the other tongues spoken in the South and North, is not impossible, but it is an expensive and cumbersome, although no doubt a necessary, solution. In some parts of the United Provinces, for instance, it will be necessary to obtain teachers who can speak three languages, or treble the staff required for a uni-lingual district.

But the greatest difficulty of all is finance. Who is to pay for a comprehensive scheme of education? India is a poor country. She does not care to be

rich. She is mistress of philosophies so magnificent that the struggle and sweat of Western cities seem vile to her by comparison. Her thinkers are not in love with the Western world of achievement. We have attained control over steam and steel; they over the human body and mind. Which is the better knowledge? Who can answer such questions? Not young Indians, certainly, who attribute their country's poverty solely to the machinations of the English. India, they declare, was rich once upon a time, and would be rich again were she not bled white to keep the mills of Lancashire working and to provide pensions for British bureaucrats. The facts, however, do not support this frequent cry of exploitation. The mills of Lancashire continue to work because the Indian peasant insists on getting value for the rupees he spends on clothing, and for no other reason. Last year he bought more English cotton goods, not less, in spite of all Nationalistic urging to avoid the produce of the exploiting alien. In the matter of administration it is demonstrable that the Indian Civil Service is the cheapest bureaucracy in the world, taking into consideration the number governed. And faulty though that system may be, the pages of Indian history may be turned in vain to find a better. What of the 40,000 miles of railroads and the greatest irrigation system in the world, which British capital and British energy have built? What of the engineers, scientists and doctors who have contributed to India's health and wealth? What of the British political institutions, laboriously transplanted to Delhi and the provincial capitals? All these are devices for exploitation, say the Young India group. Yet in the last twelve centuries, during which foreigners have ruled in Hindustan, there is only a space of fifty years, under the Great Mogul Akbar, that compares at all to the civil and religious liberty that India now enjoys under British rule.

The drain on India's wealth which British rule is supposed to entail is not confirmed by statistics. Last year India absorbed the whole gold output of South

Africa. Some was fashioned into gold ornaments for women, some was buried under ground, and it is said that about 1,000,000 gold sovereigns disappear in this way annually. Meanwhile savings bank deposits rise at the rate of about \$50,000,000 a year.

EDUCATION AND UPLIFT

It is a common characteristic of human nature to blame the "other fellow" for our woes, but the truth as regards Indian education seems to be that there is a vicious circle difficult to break. The peasants will remain poor until they are educated. Until they are educated they will not want to be rich. At present all they ask is to be left alone to till their fields in peace.

But the masses must be uplifted in India. Every one is agreed on that point, except the masses themselves! Might not then some revenue be diverted from the army, ask the enthusiasts, for the sacred cause of education? The answer is No. And if the question could be fairly put to the aforesaid peoples of India there would be at least 50,000,000 votes from Northern India alone, where the work of the army is known and its value appreciated. For it is not generally known that India has a long and dangerous frontier, infested by wild tribes. In the four years from 1919 to 1923 there were 1,000 kidnappings and 500 murders along that frontier; and property to the value of \$800,000 was looted. Half a million armed men are watching any sign of weakness in India and are ready to emulate the exploits of Mahmud the Ghazi and Timur the Tartar, as soon as they see a chance to saddle up and ride into the flat lands of the Ganges. An Indian army of 200,000 men is not an excessive insurance against this risk. Mr. Gandhi suggests giving the tribesmen spinning wheels, to distract them from looting in the plains. And one must suppose that if the lower nature of the Central Asians should therefore get the better of their acquired placidity, Mr. Gandhi's disciples would oppose their attacks with soul force. But such expedients have not been received

with any enthusiasm in the menaced territory. Indeed, all practical politicians, Indian as well as British, are agreed that the army cannot be reduced beyond its present minimum.

Thus, although there have been many criticisms of British educational policy, few constructive suggestions have been put forward. A recent Indian writer explains his lack of concrete remedies as follows:

I am sure that the shrewd British politicians into whose hands the destinies of India have fallen know better than me what course would prove beneficial or otherwise to India. The obvious reason why they do not follow the right policy is not because they do not know it, but because they believe, and perhaps rightly, that by so doing they would not be able to continue their autocratic rule over and economic exploitation of India.

This is the tenor of many less explicit reproaches to Great Britain, and for this reason it cannot be too emphatically stated that, however unimaginative the British system of education in India may be, it is at all events disinterested and sincere. To impugn the motive for giving India the best that England had in her own country is as unkind as it is illogical. For how would a conquering power have proceeded whose object was to keep its subjects enslaved and inarticulate? Surely not by teaching them the speech, culture and political traditions of our "Satanic civilization," to quote Mr. Gandhi again!

THE MISSION OF INDIAN WOMEN

There is only one way, in the writer's belief, in which India's educational problem can and will be solved. It is a simple, undramatic way. The women of India must take up education. If this were to come about on a large scale—and perhaps it will, for miracles are more likely to happen in India than in any other country on earth—the difficulties would melt away like morning mist. As soon as the women of India leave the seclusion of their homes and enter the schoolrooms India will get what she wants in education when and how she wants it. Without women in the schools what country can pay for

primary education? Without women what culture is possible, for East or West, brown or white?

Will the Indian woman enlarge the circle of her family life and bring its beautiful traditions to the service of the nation that is being born? Will she learn what East and West have to teach her and pass it on to others? Will she find a means whereby all that is wise and good in the caste system may be adapted to the needs of today, while all that is ridiculous and restricting is abolished? Will she be tolerant of castes and creeds? The answers to these questions must be sought in the villages of India and nowhere else. India, through the ages, has been noted for the self-sacrifice of her womankind. When the time is ripe her women will be ready.

Meanwhile, if India looks deep into her heart, "turning her tears inward," as her sages say, she may find that it is in her best interest that England should guard her frontier and keep her internal peace, while she devotes herself to tasks that are greater, although less easily defined, because they are in the realm of spirit.

Mahatma Gandhi, whatever the practical results of his idealism may be, stands out as a great figure about the squabbles of his time. But his reign of righteousness can be inaugurated only in a country where every man's life and every man's wife is secure and all are free to cultivate their ideals. And if, on the contrary, India is to leave the ancient paths her fathers trod and venture into the troubled waters of modern industrialism, political and economic stability will become still more essential if the ills of industrialism are to be mitigated and its fruits enjoyed.

India's advantage lies in having been able to take unto herself the good things of the West and to reject the bad. British rule has opened a book of knowledge to a people of great intellectual power. They may read or not as they choose, but when the West proffers that book of knowledge, it is a mistake to throw away the labor of centuries simply because an alien hand brings the gift.



The design of the central building of the Hebrew University at Jerusalem made by Patrick Geddes, the well-known architect, sociologist and professor at the University of Edinburgh, Scotland

New Hebrew University at Jerusalem

By MAURICE FARBRIDGE

Formerly a member of the Faculty of the University of Manchester, England, and on the staff of the British Foreign Office; author of "The Industrial Development of Palestine" and "Studies in Biblical and Semitic Symbolism"

APRIL 1, 1925, was a red-letter day in the history of the Jewish people and probably also in the history of human culture, for it was on that day that the long dreamed of Hebrew University became a reality. Hitherto there were in Palestine some laboratories for microbiology and biochemistry, but there was no actual teaching organization such as that which has just commenced its activities.

By most people the work of regeneration which has been in progress in Palestine for some decades is primarily associated with the material needs of Jewry. But the cultural aspect of this "return to the land" movement and the efforts for a revival of Hebrew culture with which it is so closely knitted are

generally unknown to the world at large. Of no national movement is it so emphatically true as of Zionism that education is the lifebreath of a national movement. Zionism is an attempt to restore national life to a people cut off almost entirely from its ancestral life, scattered over the face of the earth, participating in every culture, speaking all languages, assimilated to all types of national life, and thus in constant and ever-growing danger of being split up into fragments and losing all semblance of national cohesion.

The problem of Zionism is much harder than that of other national movements. It has to bring back the people, or some considerable section of it, to the land—a task complicated by all

sorts of political and economic difficulties; and at the same time it has to secure that the heterogeneous body of human beings so brought together shall be fused and molded into a recognizable national group. The first of these objects is being achieved primarily by practical colonizing work in Palestine; the second demands above all things a national system of education for those who are to live there, since it is primarily through education that the fusion of the diverse elements into a national whole can be brought about. For this two requirements are essential. In the first place, a national education must be carried on in the national language; for that group-sense which is necessary to the being of a nation is intimately bound up with a tie of a common and distinctive idiom. And in the second place, a national education must exist which maintains and emphasizes the sense of continuity with a national past. Thus, although the precise form and scope of the national education needed by the Jews in Palestine at present cannot definitely be mapped out, it is at least essential that the education should be in Hebrew, which is the national language of Jewry, and that it should pay considerable attention to the history of the Jewish people, to the characteristic ideas and ways of thought with which their national life has been associated in the past, and to the literature in which those ideas and ways of thought are embodied.

Jewish culture, it is well to note, is not a higher kind of Jewish learning or a special reserve of the scholars and the educated class. It is the whole intellectual and spiritual expression of the Jewish people—the fund of ideas and ideals which it has created during its long life, its outlook on the world, its literature of all ages, its history in the past, its hope in the future, the total product of the Jewish state—that is Jewish culture. The two basic foundations of this culture are the Bible and the Hebrew language. The first is the depository of its profoundest conceptions and its fundamental teachings, the other the per-

manent instrument of its thought. Upon these two foundations there were erected almost the whole spiritual heritage of the Jew, the religious ceremonials of his life as outlined in his codes, and the observances woven into his daily conduct which have molded Jewish character for generations, giving to it its special qualities and definite form. In the culture of most of the great nations we include a specific development of art, of architecture and building, of painting and sculpture, of music and drama. But Jewish culture, owing to the unique circumstances of its growth, has no corresponding development worthy of note. The Jewish spirit has found no permanent expression save in life and in literature; and even the greater part of its literary tradition is innocent of art. But what it lacks in variety and form of beauty, Jewish culture makes up in spiritual depth and in intensity. It is the thought of a people which, through a long period of history, has been devoted to a peculiar idea of God and of human life and has preserved and developed that idea with a zeal and a loyalty unparalleled and under a sustained trial such as no other people has suffered.

EFFECT OF ANTI-SEMITISM

The revival of Jewish culture had not at first an immediate and obvious association with the aspiration for a national restoration. It is true that love for Zion is now a leading motive with the pioneers of the new Hebrew movement. But it was not till the recrudescence of anti-Jewish feeling in the latter part of the nineteenth century came to arouse the Jewish people from their belief in the advent of an age of universal equality and fraternity, which they had cherished for over half a century in spite of most glaring facts, that a clear national consciousness inspired the writers associated with this movement. The Jewish awakening, which was produced by the anti-Semitic outbursts in Germany and by the more brutal persecutions in Russia, gave a great impulse to the latent national yearning of the Jewish people.

That yearning found a double expression in literature. On the one side are the Jewish writers who, with their ideas rooted in European culture, reasoned out the logical necessity for the Jews to be a separate people. On the other side are the Hebrew writers who, with their thoughts rooted in Jewish culture, called on their brethren to realize the national hope for the return to Zion. But this difference of emphasis on the objective of the Jewish national movement has not prevented both aspects of Jewish nationalism from being united in the movement itself. Both spiritual and political Zionists—to give them the names by which they are distinguished—look for the realization of their aims in the resettlement of Palestine. An-

other common bond between the two sections is their opposition to the assimilationist tendencies of the Jewish communities in the diaspora which regards the whole of Judaism, save its monotheistic creed, as sordid or obsolete, and proceeds to get rid of it, sometimes by gradual so-called reforming stages, sometimes by more radical methods.

Before the war there were mainly three institutions working to provide a modern education for Jewish children in the Palestinian towns. These were under the auspices of English, French and German Jews respectively. Each worked along lines conditioned not so much by any specifically Jewish aims, as by the outlook which its leaders derived from being themselves assimilated



Wide World Photos

The Earl of Balfour (at left) during his visit to Palestine for the opening of the Hebrew University. Next to him are Dr. Chaim Weitzman and Nachum Sokoloff, leader of the World Zionist Movement

to the culture of this or that European country. Their activities were advantageous in many ways and they succeeded in familiarizing certain sections of the Jewish population of Palestine with the methods and subjects of Occidental education. At the same time, however, they set up a false conception of the object to which Jewish education in Palestine should be directed, inasmuch as they associated the idea of modern education with the idea of English, French or German education. Thus, from the Zionist point of view, which demands a system of education that shall be modern in method and extent, but at the same time true to the national spirit and free from any tendency to

assimilate the pupils to other nations than their own, the work of these organizations was in some ways helpful, but in others harmful. This, however, applies only to the educational institutions in the towns.

In the agricultural colonies, which sprang up as a direct result of national strivings, the Zionist idea had freer scope in the field of education. The schools in the colonies were not provided by philanthropists for Jewish children who would otherwise have had no education, but came into existence with the colonies themselves. They, therefore, expressed with more or less completeness the spirit which animates this Jewish renaissance. The language of instruction in the schools of all these Jewish agricultural colonies has always been Hebrew. One cannot overestimate the difficulties with which the founders of these schools had to contend in their efforts. Hebrew had been long out of use as a medium of everyday intercourse and was not even their own mother-tongue. It speaks much for the enthusiasm of those who founded these schools and for the ability of the early teachers that they overcame all these difficulties and established Hebrew everywhere in the colonies as the language of instruction. It is thanks to their work that Hebrew is now naturally the everyday language of the younger generation of Palestinian Jews on the land. The education given in the colony schools comprises the usual elementary school subjects, as well as Arabic, some knowledge of which is necessary for the Palestinian Jew. The Bible and Jewish history are, of course, taught also, and in some of the colony schools the pupils are now also taught a considerable amount of English.

Schools of the elementary type are not the only schools that have grown out of the Jewish renaissance in Palestine. The growth of the colonization movement produced a demand for secondary education and led to the founding of such schools in the towns. Among these secondary schools one may mention the Jaffa High School, the

Tachkemoni and the Bezalel School of Arts and Crafts in Jerusalem as playing a most important part in the development of higher education.

SUCCESSFUL HIGH SCHOOL

The Jaffa High School was founded in 1907 to meet the demand for a more advanced education than could be obtained in the Hebrew schools then existing in Palestine. The resources of the committee which started it were small, but they were fortunate in securing the sympathy and assistance of the late Alderman Moser, an Anglo-Jewish philanthropist, who provided a handsome and capacious building and liberally supported the school for many years. The greatest difficulties with which the promoters of the school had to contend arose from having to give a modern higher education in a language which had never been used for that purpose. They had to create the terminology required for teaching scientific subjects, and the teachers themselves had to learn before they could teach. Moreover, the high school attracted pupils from Russia, who were not familiar with Hebrew as a spoken language, and this added to the difficulty of making Hebrew the sole medium of instruction. Yet today the curriculum of the school embraces, in the higher classes, mathematics, physics, chemistry and Latin, besides European languages, Turkish and Arabic. A number of universities in Europe have accepted its graduating certificate as equivalent to that of a European secondary school, so that the experiment has been amply justified from a general educational standpoint. The number of pupils, which was under a hundred in 1907, had risen to 700 before the war and is now nearly 2,000.

The Tachkemoni is another higher grade school at Jaffa. It was founded by the orthodox wing of Zionists. The standard of education which it imparts is almost equivalent in every way to that of the Jaffa High School, while its training is on strictly orthodox Jewish lines.

In the Bezalel School of Arts and

Crafts at Jerusalem the Zionists have attacked the problem of education on the artistic side. The attempt to create a specifically Jewish art was fraught with many difficulties. Broadly speaking, Jewish artists are not Jewish except by birth; their subjects and methods are borrowed. The Jewish tradition of the last few centuries is almost wholly devoid of any interest in art, but the work of the Bezalel School has already done much, not only to stimulate the national feeling among Jews in many parts of the world by its artistic products, but its carpets, woodwork and filigree work stand out as creations at once artistically valuable and specifically Jewish in character.

Besides the schools, there are other indications of the expansion of Jewish culture in Palestine, where it has no indigenous culture to compete with, and is, therefore, more stimulated and encouraged than in Europe. Every Jewish centre and every colony has its Beth-Am or popular club, where debates and lectures and social entertainments take place in the national language.

In Palestine, Jewish culture and the Hebrew language are thus becoming the normal language and culture of the people; there is being established a Jewish way of life and a Jewish adaptation of modern culture; and in a community which is gradually developing a full and many-sided activity the Jewish element is dominant. Thus, little by little, there is springing up a powerful Jewish cultural influence and a great source of nourishment for the creative imagination. The question of the political form which the Jewish national centre is to take becomes of subordinate importance when we regard Zionism from the point of view of Jewish culture. Even if there were a Jewish State in Palestine, we should have to apply to it the words that Ibsen used of Norway: "States like ours cannot hold their own by material forces; but nations like ours can earn the right to exist by laboring for culture."

Turning now to the steps which, under the influence of the national

movement, have been taken in the diaspora to foster Jewish culture, here again the most notable and the most important is the endeavor to make Hebrew a living and spoken language. This is showing itself by the founding of numbers of regular Hebrew day schools, where a modern education is given in that language; the establishment of societies of adults for Hebrew speaking, the holding of conferences for the same object, the publication of Hebrew books for the instruction and edification of the young, the growth of a modern Hebrew literature embracing every form of literary art, and lastly, in the organization of a Hebrew press comprising journals and reviews which may take their place among the best of their class in Europe. In every country there has been a quickening of the Jewish consciousness, showing itself in the renewal of the study of Jewish achievements and in the outbursts of a literary activity directly prompted by Jewish national feeling. In every country, too, where there is an organized Jewish community there has appeared a periodical literature designed to foster that cause. One other factor should be mentioned—the Jewish theatre, which chooses its subjects largely from the ideas or the personalities dear to the national consciousness.

AIMS OF THE UNIVERSITY

We thus see how the advancement of neo-Hebraic culture, both in Palestine and the diaspora, has been creating the need for every type of institution of higher learning and has been preparing the way for the Hebrew University, among the leading functions of which one may include the following: (1) To supply the needs of the new Jewish settlers in Palestine, whose children to obtain a university education have hitherto had to go to Europe, where, unfortunately, all universities are not open to them; (2) to surmount the difficulties caused during the last few years by a movement, anti-Semitic in fact, though represented as anti-foreign, that has resulted in German universities

applying to Jewish students the percentage norm which was in operation in Russia in pre-war days, and in signs of similar movements in France and Switzerland; (3) to effect a compromise between the old education and the new by harmonizing as much of the past with the present as can be reasonably expected, by creating an atmosphere that will be Jewish with an intensity not known elsewhere; (4) to provide opportunities for Jewish scholars and teachers who are discriminated against in other universities.

The use of Hebrew as a medium of instruction in the new university does not necessarily mean that all subjects from the very beginning will be taught exclusively in Hebrew; nor does it mean that distinguished guests invited to lecture must lecture in Hebrew. There will, no doubt, be need at present to teach some subjects temporarily in a language other than Hebrew; and it will always be necessary to keep the gates

of academic hospitality open to eminent visitors from abroad,

The teaching staff and the students of the University of Jerusalem are being drawn from the Jewish subjects of almost as many States as have Jews within their dominions. There are Palestinian, Russian, English, American, French, German Jews, with a corresponding variety of speech. Clearly, no university can undertake to teach in a tower of Babel. It must at least, as a permanent system, teach in a single language, and that single language can only be Hebrew, because no European language could be preferred to another without involving the university in international politics and shattering the unity of Jewry in relation to the university. An English or German university in Jerusalem cannot appeal to all Jews throughout the world without distinction of political allegiance; so that such a university would fail in one of its chief purposes—becoming a spiritual centre for the whole of Jewry.



Wide World Photos

Entrance to the buildings of the Hebrew University at Jerusalem, of which only a part has so far been completed

Austria-Hungary's Financial D  b  cle

By GEORGE A. SCHREINER

Associated Press Correspondent in Austria-Hungary During the War and Author
of Several Books on Socio-economic and Political Subjects

A GREAT deal of new light has just been thrown upon the financial breakdown of the Austro-Hungarian Empire by the one man who could authoritatively discuss the subject, namely, Dr. Alexander Popovics, Governor of the Austro-Hungarian Bank during the World War, later Hungarian Minister of Finance and now Governor of the Hungarian State Bank. The revelations he makes are contained in a relatively small, but entirely complete book, "Das Geldwesen im Kriege" ("Finances in War"), which is published as a volume in the great series entitled "Economic and Social History of the World War," under the general editorship of Dr. James T. Shotwell, for the Carnegie Endowment for International Peace.

To those interested in Austro-Hungarian finance it was always known that even normally the currency system of the Dual Monarchy was not a particularly good one, while it is generally remembered that Austrian and Hungarian crowns were among the first currencies to suffer from war inflation. The downfall of the monarchy is, indeed, coupled by Dr. Popovics, in common with some others, with the depreciation of the crown by over 58 per cent. before the signing of the armistice in November, 1918.

The financial arm which the Austro-Hungarian Empire used for the war was the Austro-Hungarian Bank, the institution into which the old Austrian National Bank had evolved between 1867 and 1878, when it became the bank of paper currency issue of the Dual Monarchy by agreement between Austria and Hungary. Though the Hungarians

continued to agitate for a national bank or a bank of issue of their own, the question never grew acute again after both Governments had settled on this method of fiscal banking. The Austro-Hungarian Bank was a private corporation, the head of which was the Governor, who presided over the Board of Managers, consisting of six Austrians and six Hungarians. The Vienna and Budapest branches of the bank were managed each by a Vice Governor, both of whom, or their representatives, were entitled to sit on the Board of Managers. The agreements between the Austrian and Hungarian Governments and the bank were made for a number of years. Though Dr. Popovics hints at some of the difficulties encountered by the Austrian and Hungarian Governments in providing for the empire a currency that would be both stable and elastic, he omits stating that the greatest causes of trouble were the everlasting clashes between Austria and Hungary, and political strife within both countries. Hungary was ever under the impression that she was being discriminated against, while Austria believed that her position of precedence was being threatened by the sister State. The question, then, was not simply a sound currency for a single State—in itself a great task—but one that would suit and please both States. The basis of the currency therefore was compromise; the currency system itself remaining ever the subject of the customs and commercial treaties made periodically between Austria and Hungary.

Summing up the currency situation prevailing when the Dual Monarchy entered upon the war, Dr. Popovics says: "The currency was equal not only to the

demands of normal times, but could withstand also temporary economic crises, thanks to the perspicacious and generally esteemed management of the Note Bank. This was so despite the incompleteness of its legal structure and inadequacy of its material (gold) basis. Possibly it could have weathered a war-like involvement of little intensity and small scope without a total collapse resulting. But it was absolutely not constituted to cope with the more violent and prolonged attacks that would doubtless be made upon it by a more general and longer war of the monarchy, regardless of military successes."

On July 19, 1914, the Austro-Hungarian Ministry of the Exterior notified the Governor of the Austro-Hungarian Bank that, in view of the investigations made of the assassination at Serajevo, the Government intended to transmit to Belgrade on July 25 an ultimatum requiring action by Serbia within forty-eight hours. The notice given was to serve as information only, it seemed, since the Ministry hoped that European complications would not come from this act. The governor of the bank, however, was of the opinion that he could not limit himself to taking notice of what he had been told. Four days later he learned that the Government intended mobilizing eight army corps, and during the night of July 25-26 this mobilization was ordered, following a reply to the ultimatum from Belgrade that was not deemed satisfactory.

One of the first effects of the war was that the bank experienced an insistent demand for gold and foreign currency, so that the gold reserve of the bank was reduced by 53,000,000 crowns. To counteract this the interest rate was advanced from 4 to 5 per cent. This interest increase, however, remained barren of the desired result. During the last week of July the gold reserve of the bank, gold securities included, was reduced by another 148,000,000 crowns, while notes held by the bank increased 868,200,000 crowns and bonds 223,600,000 crowns. At the same time additional issues of paper currency, 932,600,000

crowns, had attacked the integrity of the bank, so that on July 31 the rate of interest went to 6 per cent.

FIRST COSTS OF WAR

It had been anticipated by the Austrian and Hungarian Ministries of Finance that for the first fifteen days of the partial mobilization the sum of 608,600,000 crowns would be required, and of this amount 165,700,000 crowns were to be available for the first eight days. Since the Governments had but a small balance in the bank, the funds needed could be obtained only through a credit transaction. This took the form of a bond issue at 5 per cent., taken up by the large Vienna and Budapest banks, due on Feb. 1, 1917, and secured by 600,000,000 crowns in Austrian and 340,000,000 crowns in Hungarian Treasury certificates.

The last weekly statement published by the bank of issue showed in circulation 1,700,000,000 crowns in paper, 72,000,000 crowns in silver coin and 13,300,000 crowns in change, a total of not quite 1,800,000,000 crowns. This was ample to meet the first requirements of the Government, and the ease with which during these first days of the war the financial part of the mobilization had been met was made the subject of favorable comment. Nevertheless, the supply of notes in the bank began to melt away rapidly, even after 400,000,000 crowns, in the course of printing at the time, had been added to the stock on hand. To stem the ebb of currency that had set in, Austria and Hungary both decreed that private claims for currency contracted before Aug. 1 be deferred. At the same time negotiations between the Austrian and Hungarian Governments and the bank of issue for a bonded loan of 1,272,000,000 crowns to the former and 728,000,000 crowns to the latter were begun, and on Aug. 14 the bank turned over these sums.

Under the agreement between the Austrian and Hungarian Governments on the one hand, and the Austro-Hungarian Bank on the other, the smallest

note issued was for fifty crowns, though twenty-crown and ten-crown notes were authorized by special acts. The war, however, as war does in all countries, had driven most of the metal currency into hiding, and the result was that for the purpose of keeping the commercial machinery lubricated two-crown and one-crown notes were issued. Normally all such paper currency was to be covered by gold to within two-fifths of its value. By Aug. 7, however, this ratio no longer prevailed. The paper issue, which had been not quite 1,800,000,000 crowns on July 23, was now 3,580,000,000 crowns, secured by gold and gold securities to the amount of 1,410,000,000 crowns.

The gold guarantee, then, was suspended. The bank ceased publishing its weekly statements, and Articles I and III of the Currency law, which foresaw that the bank kept its paper issues at par, were considered superseded by the force of circumstances. This was to be the break in the levy through which the Dual Monarchy was presently flooded with an ever-depreciating paper currency. The fact that the bank was no longer obliged—allowed, in fact—to publish statements detailing its affairs, kept the public from knowing what was going on. By Dec. 14, 1914, the bank was even relieved of the obligation of publishing its yearly balance sheet and holding the customary general meeting of its stockholders. The directors whose terms of office had expired were continued.

Though a partial mobilization had been planned, a general mobilization had to be carried out, owing to the character that the war had so rapidly assumed. The total expended during the first fifteen days of the war was 904,444,000 crowns, instead of 608,514,000 crowns. How generous the calculation of the Military and Finance Ministries had been is shown by the fact that the amount considered necessary for a partial mobilization was exceeded by the cost of a general mobilization by only 295,880,000 crowns. One gathers from the statements of Dr. Popovics

that he viewed with considerable impatience the nochalant, if not downright slovenly, manner in which the Military, and even the Finance Ministries of Austria and Hungary, approached the question of financial mobilization—the conversion of the Dual Monarchy's economic resources into military means. The general staff does indeed appear to have thought of a partial mobilization only, while the men in charge of foreign affairs in Vienna must have been rather confident that their stiff note to Belgrade—the ultimatum—would be accepted by the Serbian Government.

AVOIDANCE OF TAXATION

The intransigent attitude of the Serbian Government, the position taken by Russia and the entrance upon the active scene by Germany, France and Great Britain made a general mobilization necessary under financial circumstances in Austria and Hungary which were not the best and which could have been improved only by the two Governments raising a large share of the cost of the war by taxation. But in Austria and Hungary (though Dr. Popovics does not say so), as in other countries, the raising by taxation of the funds needed to carry on a war, while all the other sacrifices incident to it have to be made, would not have appealed to the populace, and would have cooled off more rapidly even what little ardor there was. The Austro-Hungarian Government hoped, in common with all others, that the money for the war raised by loans could later be replaced by war indemnities collected from a defeated enemy.

The first or "Lombard" war loan made by the Austrian and Hungarian Governments on the bank of issue was secured by treasury notes, that is to say, the Governments mortgaged revenues in prospect. The second or "Sola-draft" war loan was more or less of the same nature, while the twenty-one subsequent calls on the bank of issue, made against "certificates of indebtedness"—promissory notes, as such paper is called in private transactions—were also a lien



Wide-World Photos

Formerly occupied by the Budapest Branch of the Austro-Hungarian Bank, this building now belongs to the Hungarian State Bank, which began business on June 24, 1924

against what income the Governments of Austria and Hungary could derive from taxation and possibly war indemnities. Though these loans had different names, due mostly to banking technique, they were in effect one long series of fiat money issues, with the gold reserve of the bank carrying them as far as it could, but with the solvency of the two Governments really the only security. To put the Austro-Hungarian Bank in a sound condition again the Government had to win the war or conclude a favorable peace. As time went on both tasks became more difficult. To win the war, if possible, more money had to be printed, and to secure peace on favorable terms the money press had to be relied on also. To understand fully what this meant we have to consider that Austria and Hungary and the crownlands had together a population of about 44,000,000, of whom about 15,000,000 were wage earners.

The following shows the amounts of the drafts in crowns made by the Aus-

trian and Hungarian Governments on the bank of issue:

	AUSTRIA	HUNGARY
Lombard loan ..	1,272,000,000	728,000,000
Sola-draft loans. {	1,272,000,000	728,000,000
	508,800,000	291,200,000
Twenty-one certificates of indebtedness loans...	20,034,000,000	11,466,000,000
Currency circulating	1,966,513,908	1,125,489,092
Total.....	25,053,313,908	14,338,689,092

On Oct. 26, 1918, the total indebtedness of the two Governments to the bank of issue was: Austria, 25,059,797,276 crowns; Hungary, 9,908,943,724 crowns. While Hungary had reduced her indebtedness to the bank by some 4,500,000,000 crowns, derived from taxation, Austria had not returned any of the money she had borrowed. But this was not the total of moneys applied for warlike purposes. Other war loans were made. Austria raised eight public war loans, of a total amount of 35,129,324,600

crowns, the net paid over to the Government being 32,955,576,990 crowns, or 93.8 per cent. Three of these were 5 per cent. Treasury notes, the other five were loan certificates at 5½ per cent. Hungary made seventeen loans, thirteen of them by public subscription, while four were sold abroad. Their gross value was 18,851,835,850 crowns; their net being 17,955,885,538 crowns, or 95.4 per cent.

For the twofold purpose of not throwing too many crowns into markets beyond Austria-Hungary, and to pay in the most convenient manner for war and other supplies obtained abroad, the Austrian and Hungarian Governments engaged in extensive credit operations in the countries of their allies and neutral neighbors. Treasury notes served again as the basis. The total owed by Austria in Germany at the end of the war was 2,123,960,000 marks and by Hungary 1,336,040,000 marks, a total of 3,460,000,000 marks. Holland, Denmark and Sweden were also drawn upon.

COLOSSAL LOANS

A good perspective of the financial operations of the Austrian and Hungarian Governments during the war is afforded by the amounts in crowns shown in the following table:

	AUSTRIA	HUNGARY
Drafts on the bank of issue.....	25,053,313,908	14,338,689,092
War loans	35,129,324,600	18,851,835,850
*Credits in Germany	3,600,000,000	2,250,000,000
*Credits in Holland	182,000,000	78,000,000
*Credits in Denmark	61,800,000	26,400,000
*Credits in Sweden	12,000,000
Total.....	64,038,438,508	35,544,924,942

*Converted into Austro-Hungarian crowns at rate of exchange in October, 1918.

In round numbers, then, the Austrian and Hungarian Governments together spent on the war the total of 100,000,000,000 crowns, exclusive of interest on these war debts, and such portions of internal revenue as were directly given to military purposes.

Dr. Popovics points out that the two Governments had the habit of drawing heavily on credits in advance of their being established. How rapidly drafts on the bank of issue were consumed is best shown by the fact that from March 20, 1918, to Oct. 14 of that year—seven months—the two Governments drew on their bank for no less than 16,500,000,000 crowns in eleven "loans" of 1,500,000,000 crowns each, with one American dollar then buying 11.83 crowns instead of 5.12 as in August, 1914. Though the star of Austria-Hungary was setting, we find that the crown was still worth a trifle less than one-half of its parity, due primarily to the fact that as yet the Dual Monarchy was still a de facto State. The Austro-Hungarian Bank, despite the handicaps its managers labored under, did better than could be expected. Valiant devotion to a lost cause and careful management had preserved a considerable portion of the gold reserve and gold securities, for no opportunity to improve the reserve was slighted, even if the general trend was bound to continue downward. Dr. Popovics informs us by means of the excellent tables found in his work that the gold reserve took the following course:

July 31, 1914.....	1,419,962,000 crowns
July 31, 1915.....	830,797,000 crowns
July 31, 1916.....	526,453,000 crowns
July 31, 1917.....	371,691,000 crowns
July 31, 1918.....	382,690,000 crowns
Oct. 31, 1918.....	342,718,000 crowns

We see from this that the reserve had fallen to less than a quarter of what it was at the outbreak of the war. While on July 31, 1914, the bank of issue had in circulation paper to the extent of 3,429,227,000 crowns, it had outstanding in circulation and loans to the Government on Oct. 31, 1918, 34,845,545,000 crowns, or twelve times as much as the gold reserve warranted on a peace basis. Compare this with the fact that in August, 1914, the crown was worth 97.50 as against par of 105 (Swiss exchange), while in October, 1918, it stood at 43.74 (Swiss exchange), and we find that in reality it was being given and taken toward the close of the

war at twenty-three times its value as established by the gold reserve. Such is the faith the world has in the financial integrity of Governments.

One table supplied by Dr. Popovics deals with the cost of food, much of which had to be imported, and shows more than anything else in what manner much of the money raised by the Austrian and Hungarian Governments was spent and for what purpose gold was being exported. The index as to proportional increase in the quantities imported and the rise in price of these imports is supplied by the quantum price unit:

In 1913		
	Quantum Price Unit	Total Cost of Imports
Wheat	16.50	2,976,000
Wheat flour	28.00	1,749,000
Rye	13.50	914,000
Rye flour	18.00	4,000
Barley	13.00	994,000
Oats	12.80	1,945,000
Maize ..	12.78	83,462,000
Beans	23.00	1,317,000
Butter	260.00	54,000
Cheese	200.00	744,000
Condensed milk	160.00	284,000
Herrings	28.00	6,683,000
In 1916		
	Quantum Price Unit	Total Cost of Imports
Wheat	58.00	208,866,000
Wheat flour	68.00	71,940,000
Rye	57.00	28,361,000
Rye flour	56.01	5,808,000
Barley	46.00	172,802,000
Oats	49.00	27,599,000
Maize	51.00	386,284,000
Beans	80.00	78,007,000
Butter	715.00	192,141,000
Cheese	425.00	38,444,000
Condensed milk	450.00	57,641,000
Herrings	100.00	31,671,000

These figures are staggering enough, but to understand the condition of the Dual Monarchy we must consider that in 1916 the total imports amounted to 6,009,000,000 crowns, as against exports totaling only 1,540,000,000 crowns, leaving the country with an adverse balance of 4,469,000,000 crowns.

In 1917 the most rigorous economy resulted in a reduction of imports to 5,015,446,000 crowns, while exports

reached 1,788,838,000 crowns, leaving Austria-Hungary short by 3,226,608,000 crowns. Dr. Popovics does not indicate how much of Austria-Hungary's resources was dissipated by imports exceeding exports in these proportions, but, with the figures for 1917 the lowest, it may be assumed that no less than 17,000,000,000 crowns went in that manner. Even when we confine our calculations to the money raised for the war by means of drafts on the bank of issue and popular loans, totaling 100,000,000,000 crowns, we find that the war cost the Dual Monarchy internally the sum of about 83,000,000,000—a result of keeping millions at unproductive labor under circumstances calling for costly upkeep.

CATASTROPHIC CONSEQUENCES

At the beginning of the war the financial administrations of Austria and Hungary pointed out to the military that the war plans and existing financial preparations and resources (*Möglichkeiten*) were obviously disproportionate, and would lead the State to catastrophic consequences in case of a serious war. The drafts for cash when hostilities began were too heavy, Dr. Popovics thinks, and Army contracts were made without proper regard for market conditions; the prices paid were too high, and materials were bought abroad without proper regard for the rate of exchange. Many millions were spent in fortifying Vienna and Budapest, though in this case the two Governments kept an eye also on the necessity of providing employment for all. Finally, the wages in ammunition and munition plants went much beyond the necessary scale—to keep the population in good humor. Much initial extravagance arose from the general belief, prevailing until Italy became a belligerent, that the war would be a short one and confined to hostilities against Serbia alone.

The cost of the Army went from 795,000,000 crowns a month in the Winter 1914-15 to 1,496,000,000 crowns a month in the Winter 1917-18, exclusive

of the credits obtained by the Austrian and Hungarian Governments in Germany. In this case, however, Dr. Popovics seems to have overlooked that the cost of food, textiles and leather had by that time doubled in Austria-Hungary and that this was a huge problem with Army Quartermasters everywhere.

The former Governor of the Austro-Hungarian Bank, it should be made clear, sees his theme entirely with the eyes of the banker. His premises are without a flaw from the angle of normal, sound national economy, but his conclusions are faulty to the extent that he slights the fact that the downfall of Austria-Hungary was caused not by the collapse of the crown so much as by a combination of diplomatic and military misfortunes. The depreciation of the crown was incident to, rather than the cause of, the destruction of the empire. Success on the field of arms by the Austro-Hungarian Army would have quickly improved the crown, and in January, 1918, did actually do so. It was no longer the diminished gold reserve of the bank of issue that gave the crown what value it had; it was the fortune on the battlefield and relative position of the empire in international affairs—the factor of national security—that determined this question.

As Dr. Popovics well remarks, the rise in prices and associated inflation are primarily due to a reduction of the visible supply of what man needs to live on, meet his obligation and carry out the plans he has made. To do these things costs more. More currency is provided than the gold reserve is expected to carry normally. Inflation is the result. Of this the currency quotations of the Swiss Exchange furnish an ample picture. They indicate in a telling manner to what extent the fortunes of war influence currencies no longer amply backed by gold and gilt-edge securities. The rise of the mark and crown in January, 1918, when "the back of the Allies was to the wall," synchronized exactly with the tempo-

rary measures of the German and Austro-Hungarian forces.

The fact is that the war was being carried on by Austria-Hungary without much thought being given to the economic tomorrow. Dr. Popovics mentions some of the improvidences that marked expenditures of the Army, and that as late as the Fall of 1916 the Government laid an embargo on all imports of "spices, tropical fruits, fancy foods, candies, artificial flowers, feathers for hats, costly textiles, ladies' fancy shoes, luxury furs, ornaments and jewelry, watches, opera glasses, perfumes"; to which list should also be added costly Italian marbles and hot-house products. For this measure the Emperor was primarily responsible. Though a young man, Charles was not above taking advice. That the economic abuses he found could not continue, he realized. The old régime of Austria had virtually pawned all food control to the Vienna banks in order to get them to subscribe to the public war loans. This led to exploitation of the worst possible sort and at times increased unnecessarily the import of food from abroad—with the crown getting another push down grade in the operation. While the bank of issue did its best to keep the crown above water, the private banks were concerned only with profits. Emperor Charles investigated these matters personally and it was largely due to him that the President of the Vienna Allgemeine Verkehrsbank was given a jail sentence of nine months, in addition to being fined 20,000 crowns.

The principle of *laissez-faire* had, however, been so long ingrained in Austria-Hungary that men like Koerber, successor to the incompetent Count Stürgkh as Austrian Minister of the Interior, Count Stefan Tisza, Hungarian Premier, and the young Emperor could not go very far with their retrenchment policy in times when the first duty of public men of the empire was to keep the ten different races in as good a humor as circumstances allowed.

Rumania's Claim to Bessarabia

By HAMILTON FISH ARMSTRONG

Managing Editor of Foreign Affairs

THE Bessarabian question should be of interest, if not of serious concern, to the United States, even if Washington is officially uninterested, because, as a bone of contention between Rumania and Russia, it constitutes a standing menace to the peace of Europe and hence to the peace of the world. The Soviet Government's recently adopted foreign policy, which evidently aims at increasing the internal difficulties of the smaller States along the Russian border and in the Balkans, can tend only to intensify the present doubtful status of Bessarabia and its potential danger to the family of nations.

Our State Department affirms that it can take no interest in any such purely European affair. But have we always kept so punctiliously aloof from active participation in the game of European diplomacy? To cite one instance, Secretary Hughes's refusal not long ago to recognize King Constantine of Greece came as near to constituting direct interference in the affairs of Europe as most forms of positive diplomatic action could have come. In the eyes of our State Department, it is true, the two cases are not analogous, for the case of Greece was of concern to England and France. Washington withheld recognition from Greece in compliance with a request by England and France, in consideration of which these two great powers agreed to act in accordance with our wishes by not recognizing Mexico. Rumania's claim to Bessarabia has already been recognized by France and England, but our Government has not followed suit. Why? Because there is now no service that these two nations can do for us in Mexico in return for

which our Foreign Office could be persuaded to support Rumania's claim to the possession of Bessarabia.

But, regardless of the particular question of our Government's official stand respecting Bessarabia, is there not what might be termed a general American concern in this question? In the first place, we are actually, if not directly, concerned in the peace of Europe. It should not be forgotten that the World War originated in an obscure city which, up to the opening of hostilities, was entirely unknown to perhaps 99 per cent. of the millions of combatants. As long as an area of 17,000 square miles and containing over 2,000,000 inhabitants is permitted to remain in a status admittedly unsettled, the peace of Europe will remain correspondingly uncertain. Incidentally Japan, with whom Soviet Russia has recently come to an understanding, has already withheld her approval to the treaty which validated Rumania's title to Bessarabia as against Russia, despite the fact that Japan helped negotiate this very treaty. Surely a Japanese-Russian agreement should not be of purely abstract concern to the United States.

In the second place, the United States is strongly opposed to Communist doctrines. Our official departments have been frequently criticized for proceeding with too much caution and consideration in the matter of ex-

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cluding from our shores visitors who are personae non grata with friendly Governments. It would be hard to find a more thoroughly conservative State than the Rumanian Government over which Mr. Bratianu, an ultra-conservative, presides. On the basis of this fact alone, it might be expected that we would look upon Rumania's enemies as ours and that if her fight against Communism were weakened (as it would be, by leaving in doubt the Rumanian title to Bessarabia), we would deem it politic to strengthen her righteous anti-bolshevist hand by extending our approval to her claim.

Leaving aside, for the moment, all questions of diplomatic policy, let us consider the history and ethnography of Bessarabia and seek out those facts on the basis of which it might justly be determined whether that area of contention should properly be Slav or Rumanian. Bessarabia is a wedge-shaped province running back from the Black Sea between the Pruth and Dniester Rivers. According to the Russian census of 1897, which probably did not err in favor of the Rumanians, 47.6 per cent. of its inhabitants were Rumanians, 27.8 per cent. Russians and Ukrainians, 11.8 per cent. Jews and 11.3 per cent. Bulgars, Germans and Turks. The Rumanians, on their part, usually lay claim to about 70 per cent. of the population. It would probably not be far wrong to assume that two-thirds of the inhabitants are of Rumanian blood.



Map of Bessarabia

That such a heterogeneous mixture of races should co-exist in this territory becomes quite comprehensible from a survey of Bessarabia's history. The province lay across the path by which Goths, Huns, Slavs, Lombards, Avars, Bulgars, Magyars and Tartars swept successively from Asia into Europe during the centuries before 1300. Rumanian settlers, after moving eastward from Moldavia and Wallachia, claimed the land in the fourteenth century. In 1504 Sulieman added the province to his dominions, and for the next three centuries it was held by the Ottoman rulers. Frequently it was a battleground for Turkish and Russian armies. In 1812 Bessarabia was split off from the other Moldavian lands, which remained tributary to Turkey, and allotted to Russia.

In 1861 the consolidation of Moldavia and Wallachia into the Rumanian nation was recognized by the Powers. Before long the new State began casting

about for means of retrieving the lands inhabited by its co-nationals beyond the Pruth. Active propaganda in support of union with Rumania began in Bessarabia about the time of the Russian revolution in 1905, and with the revolution in 1917 this propaganda (which had temporarily been stilled by Rumania's war-time allowance with Russia) was resumed and intensified. In the midst of disorders which render the detailed facts uncertain, a conference in October, 1917, akin to a National Congress, proclaimed a status of autonomy, which later, by vote of the so-called Bessarabian Council, was transformed into union with Rumania. The Interallied Supreme Council in 1920 agreed to recognize the union. France and England have ratified this action by their representatives; Japan—probably at the request of Moscow—has withheld approval, while Italy, with whom Rumania has been having financial disputes, has also held back.

POLAND WITH RUMANIA AGAINST RUSSIA

The situation in Bessarabia, since the annexation, has been far from satisfactory, either to the inhabitants or to the authorities at Bucharest. Economic conditions, which were bound to be bad in view of the war and the general disorganization of Europe, have been worsened by an administration that most Rumanians admit to be both inefficient and corrupt. Discontent has been sedulously cultivated by agents of Moscow, and there is no disputing the fact that even in regions where Rumanian preponderance is most marked, there is a certain amount of antagonism to the present régime and a corresponding feeling for Soviet Russia. According to the most reliable accounts, conditions have been steadily, if slowly, improving, so that trouble from the local population need not seriously be feared so long as armed inroads from Russia can be avoided.

According to M. Duca, the Ru-

manian Foreign Minister, Soviet Russia is no longer planning direct military action to recapture Bessarabia. It should be remembered, however, that Rumania and Poland have an explicit agreement which provides that if either country is attacked by Russia, or involved in a dispute with the latter over the maintenance of the present frontiers, the other will lend full military aid; hence, in gauging Rumania's ability to retain Bessarabia without a fight one should obviously take into account the stability of Poland's eastern frontiers. Her western frontiers should be considered also, for if Poland were to have trouble with Germany, we may be sure that Moscow would choose that opportunity to settle her grudge also.

The writer asked M. Duca for his view of the Moldavian Socialist Republic set up by Moscow just across the Dniester from Bessarabia, evidently as a bait to attract the Moldavian (i. e., Rumanian) population of that province. The Rumanian Foreign Minister replied that the project had failed, largely because the Bessarabian peasants go back and forth surreptitiously across the Dniester often enough to learn for themselves that conditions under the Soviet régime are far worse than at home. "In fact," said this statesman, "the creation of the Moldavian Republic has done us a service, by establishing the fact that even the Bolsheviks themselves admit there are large numbers of our people still left outside our national borders." Anything that could fairly be contributed to enhance the stability of the situation in Eastern Europe, would be of direct advantage, M. Duca thought, to all nations which do not want to see Soviet Russia strengthened or tempted to begin hostilities that might be hard to suppress. He maintained the justness as well as the expediency of recognizing Rumania's title to Bessarabia. Though the title may not be as perfect as he contends, it is hard to escape the conclusion that it is better than Russia's.

The American College at Canton, China

By PHILIP N. YOUTZ

THE very name "Canton" recalls half forgotten memories of the old China trade of a century or more ago, faded old embroideries, grass-cloth linen, yellow ivory, carved in intricate design, and curious bits of Chinese jade. Nearly every American family that can boast of a sea captain among its forebears, has, hidden away in the attic, its seaman's chest which is sure to contain some precious heirlooms, embroideries and curios from old Canton, "City of Ginger and Jade." This adventure in trade back in the seventeen eighties, saved America from bankruptcy after she had won her independence. The bold seafaring men of Boston, Salem, New Bedford and New Amsterdam piloted their swift craft around Cape Horn, then across the broad Pacific to far away Canton, from which treasure-house they invariably returned with such riches of the Orient that the Colonial merchants soon regained prosperity in spite of the ruinous war of independence and the loss of English trade. Memories of these old days come back to the American as he visits Canton for the first time, and realizes what a debt of gratitude the thirteen struggling Colonies of the Western Continent owe to China.

This debt to China America has begun to repay. Today in the distant City of Canton, descendants of the old China traders from the then American Colonies have founded an American college which lies along the broad Pearl River on the bank opposite the City of Canton. Though the visitor may be carried across the river by a launch, a far more interesting way of approach is by the small sampan boat. The Chinese rower, stripped to the waist, pushes his oars instead of pulling them in Western fashion. On

a river crowded with a boat-inhabiting population estimated at 150,000, this procedure proves a very sensible one. The rower must have full view ahead to steer his boat through the maze of river craft that literally cover the surface of the water. From the window of the sampan the visitor sees the gayly decorated flower boats, where nightly feasts are enjoyed by the wealthy Chinese merchants and officials. Richly carved fretwork in gilt ornaments the fronts of these boats. Ebony tables inlaid with mother-of-pearl and ebony chairs with hard marble seats can be seen within. At the rear is the kitchen, where the cook and his helper are preparing for the evening banquet.

Beyond these flower boats, in the deeper water, are anchored junks from all the South Seas. The brown teak-wood hulls of these broad-beamed craft have no vestige of paint, but wind and weather have given them a rare tone. Their masts slope forward toward the prow, and old sailors say they can hug the wind closer than any other craft afloat. An unseaworthy enough craft they appear to Western eyes, yet they will weather many a typhoon that destroys our modern ships of steel. Some of these junks which ply the pirate-infested rivers and islands of the South Seas carry enormous muzzle-loading cannon which protrude from their gunwales.

The shore of the river is lined with lichee trees that lean far over the water casting their leafy reflection on its

Mr. Youtz, a graduate of Amherst and a graduate student of Columbia University, is an architect by profession, who spent three years in professional work in China and traveled extensively through both China and Japan. During his last year in China, he was a member of the teaching staff of the American College at Canton.



Students of Canton Christian College leaving Swasey Hall after morning chapel

smooth surface. These trees which protect the dykes from the wash of the river craft yield a yearly crop of lichees, a fruit that suggests a grape enlarged by some Burbank to the size of a plum. Through these trees can be seen the low paddy fields in which the Chinese farmers raise their under-water crops. The fields of rice by the shore are a part of the experimental farm of the American college.

The sampan lands its passengers at the college wharf, where concrete steps some twelve feet high lead up to the landing place. Although ninety miles from fresh water, the Pearl River rises and ebbs six feet or more with the tide. Twice each day the tide from the sea meets the swift current of the river and after a swirling battle drives it back many miles up stream. More than one small craft has been capsized in this daily war of waters. At the end of the wharf the visitor will encounter an interesting, delicate instrument for measuring the rise and fall of the tides. On

its chart may be read the history of the struggle between the river dragon and the serpents from the sea.

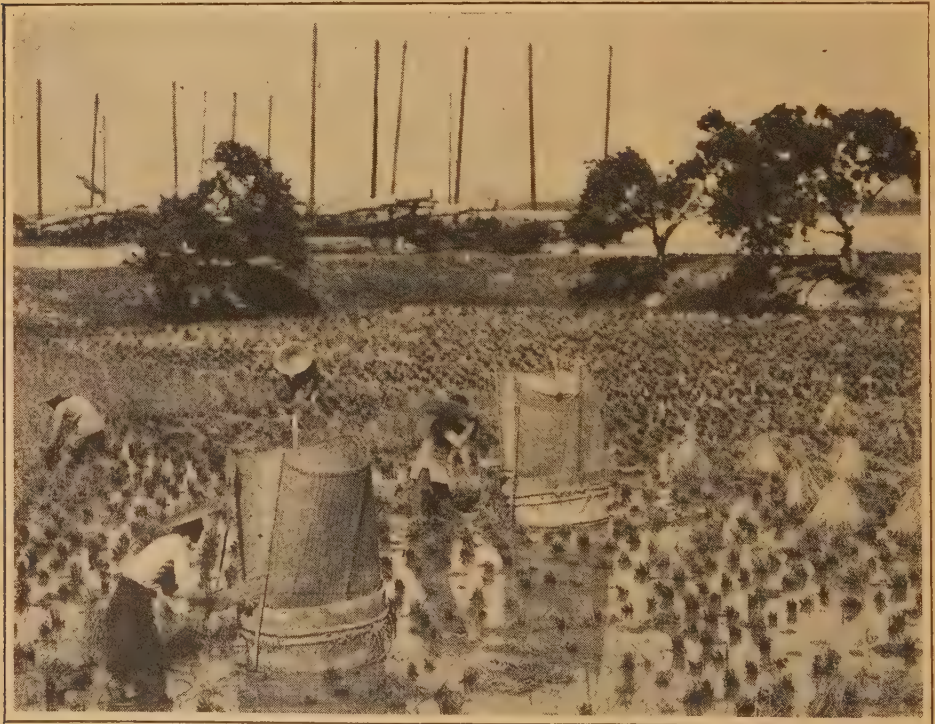
The first impression which the visitor receives of the college is one of size. Fifty permanent buildings scattered over an area of 350 acres give it a physical equipment greater than that of many of the older American universities. A broad central esplanade leads from the wharf to the low hilltop along which are ranged the main academic buildings. On either side of the esplanade are college dormitories. Java Hall, the one on the right, at once challenges attention. Its green-tiled roof breaks into a variety of Oriental lines; and along the sides of the building are tiled hoods to shelter the lower rooms from the tropic sun. Giant banyan trees and clumps of enormous bamboo half hide the base of the building. Before the entrance, on a high pedestal, stands a great vase of dark blue porcelain, some twelve feet high. This building received the name "Java Hall" because it was given to the

College by the Chinese merchants of Java. Back of Java Hall stands a row of low tile-covered sheds which shelter forty or more small Chinese ponies. These belong to the students and Faculty. On an evening after school, students and teachers ride out across the campus along the narrow dykes between the paddy fields. Sometimes the trip leads east of the campus to the lofty Chik Kong Pagoda, which gleams in the afternoon sunshine like a shaft of silver. Again they will ride to the medieval castle of General Lei Fuk Lum, Governor of the island on which the college is located. As one rides around this moat-protected castle, centuries seem to slip away; and it is easy to imagine one's self back a thousand years, when men fought with swords instead of rifles.

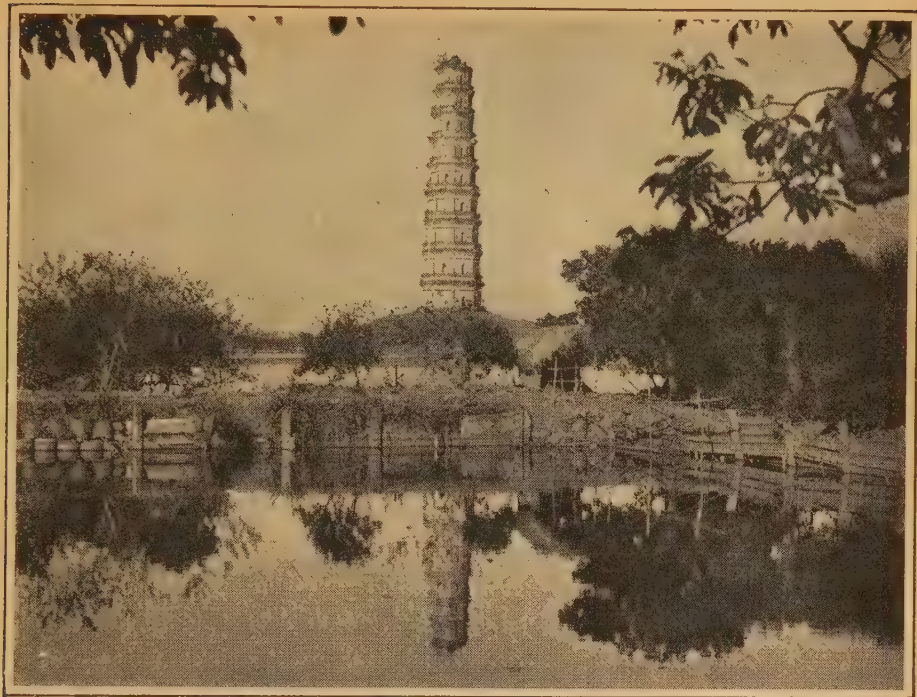
Leaving the pony sheds, the visitor come to Martin Hall, the first concrete building to be erected in South China. Long, open verandas on either side of

the classrooms permit the visitor to inspect any class he chooses. He is surprised to find that many of the classes use English. The principal reason for this is that as the Chinese language has no words for modern scientific terms, but few of our Western books have ever been translated into Chinese. English has become the learned language of the Far East, just as Latin was the learned language during the Middle Ages. In order to study any modern subject, the Chinese student must consequently have a reading knowledge of English.

One of the most interesting classes of the college meets in the chemistry laboratory. Here Professor Laird has been conducting special experiments in dietetics. Small boxes line one wall of his laboratory. In these live a veritable menagerie of white rats. These rats are fed on the various elements of the Chinese diet, and the food values of these elements are determined by practical ex-



Rice fields on an experimental farm of the Canton Christian College. The rice, which is grown in a paddy, or underwater field, is here being threshed



The Chik Kong Pagoda, which is a mile east of the campus of the Canton Christian College

periments. Professor Laird has discovered, for example, that although the Chinese use no milk, butter or cheese in their diet, they procure the equivalents of these proteins in a bean-curd preparation which they make from a kind of soy bean. This food resembles sour milk and contains nearly all the food value of milk. It is the only single food on which rats—hence human beings—can be kept healthy for an indefinite period.

Another interesting class is that conducted by Dean Duncan in banking. Dr. Duncan has organized on the college campus, a practice bank for the students and faculty. With 1,200 students and a community of some 2,000, this bank not only does quite a respectable business, but enables the students in banking and business administration courses to acquire practical experience as well as classroom training. Few Americans realize the service rendered a community by sound banking institutions. The college boys who graduate from the department of business administration at

Canton will contribute perhaps as much to the awakening of China as their companions who choose their major subjects in education, medicine, theology or social service.

Leaving the classrooms and strolling across the campus along the walks shaded by fish-tail palms, camphor-wood trees and bamboo, the visitor passes the faculty residences. Here Chinese and American professors live side by side, drawing the same modest salaries and enjoying the same types of home. The college, although founded by Americans, is not a foreign institution in China, as it is conducted jointly by Chinese and American educators; furthermore three-fourths of its budget comes from Chinese sources, the remaining fourth being covered by American donations. The Chinese homes are easily distinguishable because of the care with which these Chinese scholars have planted their gardens and surrounded themselves with the intimacy of trees. Trees and plants have ever

been the delight of the scholar in China. He spends more time seated in his garden, book in hand, than he does in his study.

The college infirmary has a beautifully curving, Chinese, green-tiled roof and walls of soft red brick. Mr. Ma Ying Piu, one of the two Chinese Trustees of the college, donated this building as a memorial to his wife. The college students live an out-door life the year round, which is probably why they take up such a small portion of the physician's time. Occasionally small ailments bring them to the hospital wards where, instead of lamenting over their lot, they beguile the time with banjo and mandolin, imparting to the infirmary the atmosphere of a college fraternity rather than that of a hospital, in spite of the bare white walls and persistent odor of antiseptics.

THE COLLEGE DISPENSARY

By far the most interesting part of the hospital is the dispensary, where campus workmen and villagers from the neighboring districts come for treatment. Many a surprise greets the doctor at the dispensary. People with small-pox will walk in quite unabashed, but fortunately universal vaccination prevents such surprises from having unpleasant consequences. Diseases long neglected which have reached a stage never encountered in the West, supply valuable and rare material for contributions to the medical journals and often tax the doctor's skill in the extreme. One thing that strikes the observer, is the stoicism of the Chinese people. They not only bear all suffering without complaint, but along with it manage to enjoy the humor to which any small circumstance may give rise. The foreign doctor's queer Chinese accent brings a smile from a man whose whole face is swollen from an infected tooth, or whose arm hangs limp and helpless with a broken wrist.

Near the infirmary is Swasey Hall, the College Chapel. The growing number of travelers to the Far East enables students to hear many of the most

noted diplomats, scientists and ministers as chapel speakers. Here, for example, the students were addressed, only recently by Dr. Paul Munroe of Teachers College, Columbia University and by the late Sun Yat Sen, former Provisional President of China.

The professors on the Faculty of the college represent no less than fifteen denominations, thirty Americans and European universities and two races. A liberal spirit of tolerance and friendliness characterizes the chapel services and religious life of the Canton Christian College. Many of the students who come to the college are not Christians, yet they feel no hostility toward the foreign religion because they find it presented as education and not as propaganda. The Christian Faculty has the faith and fearlessness to believe that Christianity can be taught with the same disinterestedness and scientific spirit in which other branches of human knowledge are approached. Sometimes chapel time is given over to a student sing. Many of the well-known college songs are sung here with surprising Chinese adaptations. For example, "Lord Jeffrey Amherst" in the Chinese version begins as follows: "Deep Under Ground Slumbers the Dragon that Breathes Fire Instead of Air." One of Cornell's best loved airs furnishes the College "Alma Mater."

Such a visit to the American college at the back door of the world, is apt to recall to the Western visitor's mind his own university days or his own unfulfilled desires for a higher education. Here on this campus in the remoteness of tropic China, he sees many of the finest traditions of American university life adapted to the needs of awakening China. The educational value of the college work is not to be measured wholly by its 1,200 students, its growing list of alumni, or its extensive work in agriculture, sericulture and rural hygiene among the neighboring villages. In China, the Canton Christian College is, in fact, a powerful broadcasting station of modern thought, as well as a model of higher living.



A field of poppies grown for opium in China

Ewing Galloway

Opium Traffic's Stranglehold on China

By W. H. GRAHAM ASPLAND

Doctor of Medicine; General Secretary of the International Anti-Opium Association,
Peking, China

THE decisions of the recent Geneva conference on opium have had no perceptible effect on China. The three sections into which the people of China may be conveniently divided, viz., Officials, Intellectuals and Working class, are each too occupied with other more pressing problems to be deeply concerned with the decision of the Eastern monopoly countries to make reform contingent upon China doing the impossible.

Some of the Intellectuals in their present slow, but determined eagerness to foster anti-foreign, or as they now prefer to call it, "anti-capitalist" propaganda, do not hesitate to sneer at a specious form of national morality which makes right dependent on the willingness and capability of others to follow suit. The opium monopoly countries of the East are prepared to in-

augurate the fifteen years' period which is expected at first gradually but in the end definitively to lead to prohibition of the traffic in opium and to the protection of those countries against the smuggling into their territories of cheap Chinese opium. Though granting that such protection is the business of the monopolies, the thinking Chinese criticise those monopolies for ignoring the fact that no country can adequately protect itself against smuggling, so long as over-production exists—be it in China, India or Turkey.

That the opium monopoly countries have cause for complaint is unquestionable; since statistics covering the smuggling of Chinese opium into the Malay States, on steamers entering Singapore from China, sufficiently establish the fact that 30 per cent. of the opium used is illicitly introduced. In 1922 the

Malayan Government made seizures on two steamers, in 1923 on 229 steamers, and during the first eight months of 1924 on 345 steamers, all entering from China. Not one of these 345 steamers sailed under the Chinese flag. It is only fair to state that seizures were also made on steamers entering the Malay States from Europe and India, but they represented only a small fraction of those from China. Since China has to protect herself as best she can against the world's production of narcotic drugs, which are rapidly becoming a destructive menace to her population, her reply to the opium monopoly countries is: "Protect yourselves as we have to."

The Geneva Conference rejected America's proposal for restricted narcotic production, and yet the monopoly nations have postponed their opium reform until such time as China consents to do, with reference to opium, what they have refused to do with reference to narcotic drugs. China is distinctly amused with the white man's logic which says: "Protect yourself from our narcotics, and protect us from your opium." In other words China must do it all! Europe says: "We will not limit narcotic production, but you must limit opium cultivation!" The plain fact, however, is that unless China is protected from the unlimited narcotic production of foreign nations, her curse of the near future will be not opium, but morphia, and it would be a hundred times better to retain her opium.

OPIUM SMUGGLED INTO CHINA

China could very justly retort concerning opium, that probably no more is smuggled out of China than the amount of foreign opium smuggled in. During 1924 the Maritime Customs seized:

Foreign opium.....	22,522 lbs.
Morphia	782 lbs.
Cocaine and Heroin.....	119 lbs.
Morphia preparations: value about ...	\$10,000

Who can say how many times this must be multiplied to represent the un-

detected quantity? The recent lawsuit in Shanghai was over the seizure of \$1,300,000 worth of Persian opium. The opium was shipped by a European, but the Chinese, having some interest in the combine, took possession of the opium before the ship reached harbor. In view of such facts as this, might not China say with equal moral right: "We will not give up opium until we can be protected against the foreign opium that is being smuggled into China"?

The attitude of the Chinese Provisional Government is a matter of little moment. The military faction on the side of the Government has been doing its utmost during the last few months to force through a so-called "Government Opium Monopoly," which would mean the relegalization of opium. This is a known fact concerning which there can be no dispute. The writer of this article, to quote one instance, was asked for help in the matter by a department especially appointed to draw up monopoly regulations. Now that the French franc problem gives hope of settlement and the militarists' claims are met for the time being, the Government is declaring in the press that it has no intention of establishing a monopoly. The Chief Executive and the non-military section of the Cabinet also disclaim any such intention. But how long will it be before the subject is again pressed? While China maintains such enormous armies under the control of provincial military dictators it is inconceivable that finances can be raised except through opium.

In two recent interviews which the writer had with Marshal Tuan and the Minister of the Interior, both expressed their desire to take up the problem. But how? When both said: "Tell us how we may control opium; what plans have you for so doing?" I confess that I was utterly at a loss. Plans and systems may be simple enough to tabulate, but as both officials said: "How can any system be carried out?" Local protest has had influence on some of the smaller provincial officials, and compulsory cultivation has been distinctly less this

season; wider protest has led to the dissolution of one or two of the notorious military monopolies, but only with the result that the organized traffic under control has been turned into the "go as you please" type, and the amount of opium used shows no change. Just as a military uniform only changes the name of brigand into soldier, so military or provincial Anti-Opium Bureaus or Opium Suppression Boards stand for nothing more nor less than organized opium traffic centres. If organized control, whether military or civil, were freed from the element of compulsion, it would be one of the less destructive methods of regulation; or if one genuine and honest monopoly existed in China, it might be worth while considering its methods and effects, but neither of these hypothetical conditions obtain. Every monopoly has been formed with the purpose of centralizing taxes, and the subordinate officials have been encouraged to increase sales through personal commissions. Not a single monopoly has been established with the object of lessening consumption. On the contrary, all have been established for the purpose of increasing it. Therefore it would be extremely unwise at present for China to waste time discussing methods of suppression within a given number of years and measures that involve the basic idea of a Government monopoly, especially at a time when such measures cannot be enforced. The rulers of independent provinces are a law unto themselves, and will take as much notice of the suggestions of the Geneva Conferences for regulating opium traffic as they have in the past of the Presidential mandates forbidding it. What China needs is an efficient but strong ruler in each province, for it is only such a type that will be able to settle the opium problem with reference to the Central Government or to the Reorganization conferences. General Yen has done it in Shansi, and Marshal Feng has done it in Suiyuan. The swiftness with which Marshal Feng has swept this province clean is little less than amazing. It means loss of large revenues, and scores

of disgruntled officials, but on the other hand, it will earn the approbation of the worker, for food will become cheaper.

FUTILE LAW

Before any Reorganization conference can discuss opium control along the line suggested by some of the present Cabinet members, it will be necessary to annul or radically amend the Chinese Criminal Code. This is a serious undertaking in the moral life of any nation. How much more so is this true of China whose laws stand for total prohibition with punishment varying from fines to even the death penalty! Though her laws have been broken and ignored in every corner of the land by the highest and the lowest, they remain laws, nevertheless. Any changing from prohibition to permission, even though attested by the best intentions, should not be effected lightly, and certainly not until safeguards can be guaranteed.

The only Government monopoly near at hand that aims at ultimate suppression is Formosa. At the time these pages were written I read with regret a report that the Vice Tupan of Shanghai had stated, regarding the opium traffic, "that he is in favor of stopping it, and is inclined toward the Japanese policy in Formosa, where the drug is stamped out by the levy of prohibitive taxation." Nothing could be further from the truth. Formosa does not have prohibitive taxation now and never has had it.

Apart from treaty protocols China is undoubtedly encouraged in her Government monopoly idea by the attitude of the Eastern monopoly nations at the recent conferences. Certainly by such a monopoly—could it possibly be enforced—she could prevent smuggling out of China and thus create the conditions under which the Eastern powers could inaugurate their reform. She may be enticed into trying it, especially with the welcome cooperation of foreigners, but once established as a source of revenue it would certainly show the pertinacious qualities of all other monopolies.

INTERNATIONAL PRESSURE NEEDED

The working classes, by which is meant the great agricultural section of China, are against opium only because of the great economic disorganization of recent years. Famine has been rampant in several provinces and thousands starved last year owing to the shortage of food crops (the corn land was used for planting poppy). A reaction has set in, the farmers realizing that it is useless to make money from opium at a time when military operations prevent the transport of foods from other provinces. The 1924-25 reports from the provinces and administrative districts show a decrease in general opium cultivation amounting to probably one-third of the previous year's total. While the opium cultivation in what are termed the "big opium provinces" (Fukien, Yunnan, Kueichow, Szechuan, Shensi and Kansu) show but little change this season, the total for all China is distinctly less. The reasons are: (1) Less military compulsion owing to military operations; (2) Excessive production and lack of markets (in many places opium has been sold at a loss); (3) The high cost of food where so much land is used for poppy cultivation.

Militarists in many districts where cultivation was formerly compulsory have this year been content with the initial opium land tax and left the planting to the option of the farmer. This policy was followed because of the uncertainty of military operations and the inadvisability of forcing cultivation for another to reap the benefit. Many of the recent wars of China have centred round opium. Indeed the Chinese press and even high Government officials have not hesitated to state that the recent war which involved the control of Shanghai was entirely due to the opium traffic revenues worth millions monthly. There is no indication that the farmers of China have any conscientious scruples regarding opium. The outcry of latter years has been caused by the intolerable burden of military taxation, but if the farmers are let

alone, less opium will be planted until food conditions have improved.

Many of the provincial monopolies have recently limited themselves to the control of imports, transport and sales, giving up cultivation entirely. The assessment, registration, and collection of taxes on opium land involved large staffs of officials, increased expenses, and afforded an infinite opportunity for "squeezing." It is much cheaper to import from a big cultivation province, thereby securing all the revenue from licenses to sell and smoke.

With the exception of two provinces under General Yen and Marshal Feng, opium purchasing and smoking present no difficulties in any part of China. It can be obtained as easily as food. With such facts before us, whence can come reform? Correspondents and associations in America and Great Britain are urging us to force the campaign in China, so as to bring about the conditions upon which the other Eastern nations are pledged to act. The only remedy at present available is educated public opinion in China and international pressure from without. Is the writer wrong in suggesting that the European powers have forfeited the right to force this issue? They will not reform until China does, and the East is being asked to lead the West!

Though public opinion is increasing slowly in China it is increasing, nevertheless, being sufficiently strong even now to produce some remedial effect, if only it had a channel of expression. The people have no voice in local politics, not being able to remove even a corrupt local Magistrate except by methods altogether reprehensible. It appears obvious, therefore, that reform cannot be inaugurated by the working classes. We are consequently compelled to base our hopes on the effect of international pressure upon the rulers of China. But the monopoly powers have stultified their influence by their unwillingness to advance their own reform. A single nation magnanimous enough to take the risk could lead the Eastern world and compel all other nations involved in the traffic to follow its example.

Federal Encroachments on State Rights

By HORACE J. FENTON

Formerly Associate Professor of History, United States Naval Academy; author of standard textbook on Constitutional law used at Annapolis and West Point

MANY American citizens are terribly alarmed today at the prospect, as it seems to them, of the absolute extinction of State authority, government of all local affairs by bureau chiefs in Washington, the end of individual liberty and political chaos. Such a view is considerably exaggerated. The sovereignty of the States has no doubt declined, but then we are a much more united people than we were a century ago, and it may be that this waning of the States is but a sign of a more splendid national unity.

What, let us ask, are the respective powers of the States and of the United States? Congress under the Constitution possesses a certain number of distinctly enumerated powers that are national in their scope: the power to coin money, to regulate commerce, to provide and maintain a navy and so on. Such powers naturally belong to the Central Government under the American scheme. The last of these enumerated powers is

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

To this clause, and to the constructive genius of John Marshall, who first gave it generous interpretation, we owe the doctrine of implied powers, which simply means that Congress is not limited in its legislation to the exact wording of the clauses that enumerate its powers, but that it may do almost anything reasonably incidental to the powers granted. Thus Congress may not only "coin" money, but it may constitutionally do a great many other things reasonably nec-

essary to facilitate the use of the national currency. The powers of Congress, therefore, are rather elastic.

What powers, now, have the States? Briefly, they consist of all the powers not granted by the Constitution to Congress or forbidden by it to the States. The Constitution does not list them, but having stated in express terms the powers of Congress and forbidden the exercise of certain other powers to the States (and some to Congress also), it leaves all the rest to the States or to the people. Thus by necessary implication the States are given the management of their internal affairs. In this respect only are they supreme. Over external matters their powers do not extend. The relations of the States with each other and with other countries, and the relations of the people of the different States with each other, are mainly under the supervision of Congress. This right of the States to manage their own affairs includes not only the right to control their political machinery, but also the right to pass sanitation, inspection laws, and all such laws as tend to promote the general welfare of their inhabitants. Such legislation sometimes prevails even when in conflict with some of the larger powers of Congress. This "police" power has always been regarded as a State, rather than a national, prerogative. The management of local affairs is dear to the hearts of most American citizens. The States voluntarily renounced the larger rights of sovereignty with the adoption of the Constitution, but home rule is, and always has been, a cherished principle. This is why so many people today look askance at the rising power of the Cen-

tral Government at the expense of the States.

The shift of power from the States to Central Government has been effected in three ways: by amendments to the general law, by acts of Congress based on an ever-widening application of the doctrine of implied powers, and by treaties.

FEDERAL AMENDMENTS

The constitutional amendments which have assisted in narrowing the authority of the States and in enlarging the Federal power are the Thirteenth, Fourteenth, Fifteenth, Sixteenth, Eighteenth and Nineteenth. The first ten amendments were passed for the very purpose of strengthening the States or protecting the liberties of the people. The Eleventh Amendment was aimed to curb, and does in fact limit to some extent, the Federal power. Federal Courts can no longer entertain suits brought against a State by citizens of another State. That amendment was a sop to the zealous advocates of State sovereignty. The Twelfth Amendment, changing the method of Presidential elections, neither added to nor detracted from the power of the States. But the Thirteenth, Fourteenth and Fifteenth Amendments, ratified during the heated period following the Civil War, abolished slavery from the Union, extended citizenship to all persons born or naturalized within the United States, provided that no State should abridge the privileges or immunities of citizens of the United States, and that no person should be denied the right to vote on account of race, color, or previous condition of servitude. These amendments were entering wedges for Federal interference among the States. What had been hitherto matters for State regulation were now either abolished or placed under national supervision. Since the Revolution the States had individually determined questions of slavery, of citizenship, and of suffrage within their borders. Now slavery was abolished, citizenship became a national as well as a State matter, and the right of a State to determine

its suffrage was distinctly weakened. Through the channels of these amendments political power flowed from the States to the United States.

The Sixteenth Amendment, authorizing the United States to tax incomes from whatever source derived, without apportionment and without regard to census or enumeration, gave the Central Government at once a large accession of strength. It did not, however, deprive the States of any power, since their right also to tax incomes was not impaired. Still they gained nothing by the amendment while the United States gained a good deal. The Eighteenth and Nineteenth Amendments, again marked a distinct advance in Federal domination with a corresponding weakening of the States. By these amendments the right of the States alone to regulate the liquor traffic within their borders has been taken away, and the power of the States to determine their suffrage has become a mere simulacrum of its former self; yet the authority to control the suffrage used to be considered almost the keynote of sovereignty.

Congressional acts, justified under the doctrine of implied powers, have assisted in some degree to bring about results similar to those that have flowed from Federal amendments. There is, to start with, no constitutional grant of police power to the Federal Government. Said the Supreme Court in *Keller v. United States*, 213 U. S., 138 (1909): "Speaking generally, the police power is reserved to the States, and there is no grant thereof to Congress in the Constitution." Even John Marshall, liberal advocate of national supremacy, recognized this fact. The principle is asserted in unmistakable terms in the recent case of *Bailey v. Drexel Furniture Co.*, 259 U. S., 20 (1922). Yet in spite of this recognized constitutional principle, supported by judicial pronouncements, Congress has contrived to exercise a police power to an extent which the Fathers of the Constitution certainly never dreamed of. Congress is supposed to echo the popular will, and a fairly audible call for

legislation usually finds that body responsive. There has grown up of late a widespread demand for uniformity, standardization, and for efficiency. To satisfy this demand Congress has found a way through its power to tax and to regulate commerce, to exercise a police jurisdiction over matters fundamentally belonging to the States. The Mann act and the laws regulating the sale of food, drugs and narcotics throughout the United States are illuminating examples of this.

POWERS UNDER TREATIES

The treaty-making power of the United States is another means that has been used to assert authority over the States. The Migratory Bird treaty with Great Britain, act of July 3, 1918, is a convenient illustration. The making of game laws has always been regarded as a State's prerogative. Congress has never assumed the authority to fix open or closed seasons for game in the States. Not even the constitutional power to regulate commerce could be stretched to cover the taking of wildfowl. But an international treaty binds all parts of the countries concerned, unless exceptions are specifically made, and when the United States and Great Britain agree that migratory birds shall not be lawfully shot or taken, except certain game fowl at stated seasons, State game laws must be regulated accordingly. In this connection the statement of the Supreme Court is interesting. In the late case of *Missouri v. Holland*, 252 U. S., 434, the Court said:

No doubt the great body of private relations usually fall within the control of the State, but a treaty may override its power. We do not have to invoke the later developments of constitutional law for this proposition. Here a national interest of very nearly the first magnitude is involved. It can be protected only by national action in concert with that of another power. * * * It is not sufficient to rely upon the States.

Thus again the central Government, through the instrumentality of a treaty, exercises police jurisdiction over a matter within the purview of the States, but

a matter on which the latter either could not, or would not, act with uniformity. The excellent purpose of the act, however, does not detract from it as an example of the rising power of the Federal Government.

One very compelling reason for the waning authority of the States is that we have been developing a strong national consciousness during the last century, and particularly so since the Civil War. The World War gave this feeling a tremendous emphasis. In the early days of the Republic, and for a long time after, national consciousness scarcely seemed to exist. Home affections were strong, and local affairs loomed larger in men's minds than did national enterprises or national needs. It was easier then to think of one's self as a citizen of Georgia or of Massachusetts than one of the United States. National pride was unhorn or yet in its infancy. But today our expansion has developed a strong national pride which martial and diplomatic successes have assisted not a little in swelling. We think in terms of the nation rather than of the States, which in the minds of many now mean little more than administrative sections of a great country. A strong Central Government is not only a matter of pride to many people, but it is a matter of great convenience also. It means greater respect abroad and easier living conditions at home.

It is also very convenient to have a strong central power that can supply funds for local needs and enterprises. The tendency among the States to "match dollars" with the Federal Treasury has grown like the green bay tree. Federal subsidies to the States for the year 1924 amounted in round numbers to \$145,000,000. This system, however, besides being a constant drain on the National Treasury, suggests that the States as political entities are not self-sufficient. Hence, if for this reason the States are losing some of their importance, they have only themselves to blame, since the appeal to Washington for Federal aid has been most insistent.

Still greater as an influence toward

centralization has been the economic development of the country stimulated by an unrestricted commerce. The centripetal force of steam and electricity has done more to weld the American people into an indissoluble unit than anything else. The happiness and well-being of the people of every section are affected by the economic conditions prevailing in every other section. During the last three-quarters of a century, and especially since the Civil War, internal development has progressed with little regard to State boundary lines, which exist for geographical and political purposes, but otherwise have lost much of their significance. Thus have the great elemental forces of our mechanical age operated profoundly to upset the nice equipoise of the States and the United States. The National Government, once a mere agent for certain specific purposes, has become of overshadowing importance, while the States, once powerful political entities, have relatively decreased in power and prestige.

While this has been happening, an interesting change has come over the Supreme Court of the United States. That judicial body, which under the leadership of Marshall and others was once a staunch defender of the national power against the encroachments and pretensions of the States, seems now to be a rather vigorous protector of the States. Especially has this been true since the Civil War, which effected a tremendous increase in the national power and in the popular will to such power. This does not mean that the Supreme Court has faced about, but that having shown Congress through a long series of decisions in what direction it might constitutionally go, it now began to show that body where it might not go, or where it should stop. The great cases of *Texas v. White*, 7 Wall., 700 (1869);

Collector v. Day, 11 Wall., 13 (1871); the Slaughterhouse cases, 16 Wall., 36 (1873); *United States v. Cruickshank*, 92 U.S., 542 (1875); the Income Tax cases, 157 U.S., 429 (1895); *Keller v. United States*, 213 U.S., 138 (1909); *Hammer v. Dagenhart*, 247 U.S., 251 (1918); and *Bailey v. Drexel Furniture Co.*, 259 U.S., 37 (1922)—these well illustrate the course of the Supreme Court during the last half century—a course consistently in support of the States' prerogatives. To quote a paragraph from the opinion of Chief Justice Taft in the last case cited above:

It is the high duty and function of this Court in cases regularly brought before its bar to decline to recognize or enforce seeming laws of Congress, dealing with subjects not entrusted to Congress but left or committed to the control of the States. We can not avoid the duty even though it requires us to refuse to give effect to legislation designed to promote the highest good. The good sought in unconstitutional legislation is an insidious feature because it leads citizens and legislators of good purpose to promote it without thought of the serious breach it will make in the ark of our covenant or the harm that will come from breaking down recognized standards. In the maintenance of local self-government, on the one hand, and the national power, on the other, our country has been able to endure and prosper for near a century and a half.

Such being the attitude of the Supreme Court we need have but little fear that Congress will ever dispossess the States of their constitutional powers to any alarming extent, although further amendments to the general law may still further enlarge the authority of the United States at the expense of the States. Nor can it be said that this tendency toward centralization is necessarily an evil. What would have been a national calamity in 1800 may be regarded by the year 2000 as quite essential to our national well-being.

PRESIDENT COOLIDGE'S VIEWS

PRESIDENT COOLIDGE, in the course of his Memorial Day address at Arlington on May 30, referred at some length to the question of the centralization of Federal powers and the

rights of the States. The following are some of the interesting passages in his address:

The country's growth has compelled the Federal establishment to exceed by far the

Government plants of even the greatest States. With this growth in physical extent, in revenue, in personnel, there has inevitably been the suggestion that the Federal Government was overshadowing the States. Yet the State Governments deal with far more various and more intimate concerns of the people than does the National Government. * * * Yet people are given to thinking and speaking of the National Government as "the Government." They demand more from it than it was ever intended to provide; and yet in the same breath they complain that Federal authority is stretching itself over areas which do not concern it. On one side there are demands for more amendments to the Constitution. On the other there is too much opposition to those that already exist.

Without doubt, the reason for increasing demands on the Federal Government is that the States have not discharged their full duties. Some have done better and some worse, but as a whole they have not done all they should. So demand has grown up for a greater concentration of powers in the Federal Government. If we will fairly consider it, we must conclude that the remedy would be worse than the disease. What we need is not more Federal government, but better local government. Yet many people who would agree to this have large responsibility for the lapses of local authority.

From every position of consistency with our system, more centralization ought to be avoided. The States would protest, promptly enough, anything savoring of Federal usurpation. Their protection will lie in discharging the full obligations that have been imposed on them. Once the evasion of local responsibilities becomes a habit, there is no knowing how far the consequences may reach. Every step in such a progression will be unfortunate alike for States and Nation. The country needs, in grappling with the manifold problems of these times, all the courage, intelligence, training and skill that can be enlisted in both State and National Administration.

One insidious practice which sugar-coats

the dose of Federal intrusion is the division of expense for public improvements or services between State and National Treasuries. The ardent State's rights advocate sees in this practice a vicious weakening of the State system. The extreme Federalist is apt to look upon it in cynical fashion as bribing the States into subordination. * * * Yet there are constant demands for more Federal contributions. Whenever by that plan we take something from one group of States and give it to another group there is grave danger that we do an economic injustice on one side and a political injury on the other. We impose unfairly on the strength of the strong and we encourage the weak to indulge their weakness. * * *

There is no use disguising the fact that as a nation our attitude toward the prevention and punishment of crime needs more serious attention. I read the other day a survey which showed that in proportion to population we have eight times as many murders as Great Britain, and five times as many as France. Murder rarely goes unpunished in Britain or France; here the reverse is true. The same survey reports many times as many burglaries in parts of America as in all England; and whereas a very high per cent. of burglars in England are caught and punished, in parts of our country only a very low per cent. are finally punished. The comparison cannot fail to be disturbing. The conclusion is inescapable that laxity of administration reacts upon public opinion, causing cynicism and loss of confidence in both law and its enforcement, and therefore in its observance. The failure of local government has a demoralizing effect in every direction.

These are vital issues in which the Nation greatly needs a revival of interest and concern. It is senseless to boast of our liberty when we find that to so shocking an extent it is merely the liberty to go ill-governed. It is time to take warning that neither the liberties we prize nor the system under which we claim them are safe while such conditions exist.



China in Anti-Foreign Mood

By HEWLETT HUGHES

An American Observer of Chinese Affairs, who has been closely connected with China in important official capacities

EVENTS in China seldom succeed in claiming attention so thoroughly as when anti-foreign demonstrations take place. The volley fired into the Chinese mob before the Louza jail in Shanghai on May 30 was literally a shot heard round the world, the reverberations of which are still sounding menacingly in many ears.

The occasion for this volley was the unruliness of a mob of Chinese students and laborers who early in the day of May 30 had paraded in the International Concession of Shanghai in protest against the killing of certain Chinese laborers in the Japanese cotton mills, and later had become so threatening that the foreign police, in self-protection, had been forced to resort to arms, killing nine and wounding twenty. As a result, Shanghai found itself on the next day in the grip of a widespread strike, entirely anti-foreign in nature, and affecting some 150,000 Chinese students, servants and laborers. Nor did it prove to be an isolated affair, but rather a match to the powder of anti-alien sentiment wherever foreigners resided, for similar demonstrations occurred all along the China coast at Canton, Changsha, Chingkiang, Foochow, Nanking, Hankow and Peking.

Anti-foreign sentiment in China saw its first violent outburst in the Boxer troubles in 1900. For about a decade after this, what antagonism existed remained under the surface, but with the change of government to a republic in 1912, there came a desire for diplomatic equality. And this, China began to realize, was chiefly hindered by her various foreign treaties. Consequently there was engendered a new anti-alien spirit

which the education received in the foreign and mission schools by her young intellectuals, emphasizing the creed of equality for all and brotherly love, did much to encourage and nurture.

Soviet Russia has assiduously cultivated this growing anti-foreign sentiment in China for the last twelve months. Russia, with a contiguous border to China for nearly 3,000 miles, had greatly desired the renewal of diplomatic relations with China and a return to normal trade conditions. She has been willing to relinquish much to obtain this. Consequently, in May, 1924, a treaty was signed which, in return for the relinquishment of her much-cherished extraterritorial rights, obtained from China diplomatic recognition and the renewal of economic intercourse. Russia was not slow, however, on the signing of this treaty, to place herself in the favored position of the one great power in China willing to treat with her on terms of equality, and for the last year she has lost no opportunity to urge an anti-foreign sentiment against the "imperialistic" powers. At the same time she has filled the country with her agents, financed a military school in Canton, financially aided the radical wing of the South China party, and whenever possible been the cause of economic unrest.

Two reasons for this action seem to be apparent, first a desire, in line with Russia's general policy of world revolution, to convert the Chinese people to Bolshevism, and second, a definite move against Japan. Of the first little need be said, for the fundamental characteristics of the Chinese people preclude the possibility of the doctrines of Bol-

shevism taking root among them. Concerning the second, however, much may be interpreted and explained. Russia and Japan are traditional enemies in North China. Their present interests there are so patently at variance that it appears only a question of a few years before there will be another clash. At the present time Russia sees Japan in Manchuria strengthening herself economically and strategically in every possible way, and beginning to build additional railway lines into the heart of Manchuria in support of the South Manchurian Railway and in opposition to the Chinese Eastern Railway. This will require millions that Japan does not even possess in her present state of financial depression, but because of the importance of the object sought she is willing to sacrifice anything to carry it through. Not only this, but Russia has seen the concessions for these lines obtained from General Chang Tso-lin, the Manchurian Dictator, within the last few months, and has suddenly awakened to the fact that she must not only act, but act immediately.

Again, consequently, two courses of action appear to have been decided upon; one, to support General Chang's military rival, General Feng, supply him with arms and ammunition and prepare him to eliminate Japan's present concession-giver from the Chinese picture; and the other, to stir up anti-Japanese sentiment throughout China to a degree sufficient to necessitate, for the time being, the diversion of Japan's energies from Manchuria.

Both these plans have been put into effect with noticeable success. On the one hand, General Feng, quartered at Kalgan, is receiving regular shipments of Russian arms, his troops are being trained by Russian officers, concentration of his officers is daily being reported, and all indications point to a probable clash between his and General Chang's forces in the near future. On the other hand, Shanghai has just been the scene of violent anti-foreign, but particularly anti-Japanese outbreaks, to-

ward which the Soviets are definitely known to have contributed funds totaling \$65,000. It has been significant, furthermore, that in the other centres where anti-foreign demonstrations have occurred, in each case the sentiment was preponderantly anti-Japanese. It is of interest to note that there has been little really bitter feeling against the Americans, a situation which Russia appears to have been quick to turn to her advantage. Realizing the gravity of a possible united action on the part of all the foreign powers in China against an anti-foreign outbreak, and its consequent effect upon Russia's schemes for hampering Japan in Manchuria, the Russian Ambassador in Peking has been exerting every possible energy to persuade America to keep out of the present Chinese affair, referring with considerable eloquence to traditional Chinese-American friendship and declaring that now is the time for America to prove herself true to it by adopting a neutral course.

American troops, in concert with those of the other foreign powers in China, are helping to maintain law and order in the disturbed districts, and conditions are still susceptible of developments of the gravest character. This manifestation of anti-alien sentiment has not come as a surprise to foreigners in China. Yet it is typical of the country's disorganized state that the recent violent demonstrations should have been attempted in the very strongest of the foreign settlements. And it is extremely fortunate for Chinese and foreigners alike that this was the case. Despite the fact that these anti-foreign outbreaks appear successfully to have been circumvented, however, the possibility of others of an even more vehement nature is by no means precluded. The latest news from China is not reassuring.

CHINESE RADICALS VS. MODERATES

The conflict which appears to have begun in China is between equally determined and diametrically opposed forces.

On the one side are ranged the Chinese radical elements, those imbued with half-digested occidental concepts of political equality and international fair play, who are determined to readjust through revolutionary methods what every liberal-minded onlooker concedes to be a situation with respect to the foreign powers, which is distinctly to China's disadvantage. So long as Russia finds herself able to further the spread of Bolshevik ideas in China or to forestall Japanese schemes for the economic domination of Manchuria by aiding this Chinese faction, she will do so. On the other hand, however, are ranged the saner, wiser, Chinese elements, willing to adopt the more reasonable method of a gradual acquisition of those special privileges once granted alien powers and which now appear inimical to China's best interests. These elements have the whole-hearted support of Great Britain, Japan and the United States, particularly the latter, which is, perhaps, in the best position of all to offer good offices to this end. The Chinese Customs Conference, to be held early this Fall under a provision of the Customs treaty signed at the Washington conference, and only now coming into effect because of France's tardy ratification, will probably afford an opportunity to discuss this question.

There are those who would hastily call a conference and who demand loudly that all unequal treaties immediately be abolished, and that mutually satisfactory substitutes be arranged with China. With whom, however, would these eager advocates of justice deal, were the matter placed in their hands? There is no Government in China today representing the country as a whole, or even an appreciable portion. It is a nation administered by a dozen or so politico-military leaders whose offices are self-appointed and of a duration commensurate with their ability to hold them against the military onslaughts of

rivals. Were the foreign powers to deal with Peking, for example, they would be faced with the fact of non-enforcement of their agreements beyond the city's walls. Shanghai would not be affected in the least, and visa versa. Or even if the powers decided upon so ambitious a course of procedure as that of dealing individually with each local leader, long before half had been brought to terms, an appallingly large proportion would be out of office, and the necessity for new negotiation would present itself. It is only too evident, consequently, that this state of affairs is the most convincing reason why extraterritoriality and other foreign privileges cannot immediately be relinquished.

China must first set her house in order. To subject foreigners to the dubious justice of the Chinese courts, to relinquish their hold upon the one security for their many unpaid loans (the return of the customs collection), or to withdraw from the foreign settlements the protection of their troops while China remains in her present state of disorganization, with no courts worthy of the name, no competent financial system, no money in her treasury and no government capable of assuming the responsibility of the protection of foreign lives and property, would be simply "to jump from the frying pan into the fire."

The rôle of the foreign powers for the next few years in China must be that of a genuinely sympathetic "elder brother," a name, incidentally, dear to the Chinese. Theirs will be the task of convincing China of two things—first of the sincerity of their willingness to give up those special privileges which they now enjoy, but second, the reasonableness and wisdom of relinquishing them only as China shows herself capable of supplying an effective substitute.

New Milestones in Medical Progress

By WATSON DAVIS

Managing Editor, Science Service

THE largest and most important medical consultation of the year, the annual meeting of the American Medical Association, held at Atlantic City from May 27 to May 29, 1925, developed discussions of practically every health activity and disease known to the human race. A new disease caused by radium, conquest of an old fever, a hopeful attack on epilepsy, heart diagnosis by long-distance telephony and telephotography, the discovery of the essence of the eternal feminine, the question of whether liquor is or is not a drug, these and a hundred other topics were aired at the meeting.

There was hope for unfortunate children afflicted with epilepsy in the message that Dr. M. G. Peterman of the Mayo Clinic, Rochester, Minn., brought to the meeting. By means of a simple dietary régime which contains a high percentage of fat, he has been able to treat successfully the fits or convulsions of the epileptic. Some thirty-seven children, ranging in age from two to fourteen years, have been given such a diet over intervals ranging from two and a half years to three months. More than half of them have been so benefited that they have not been troubled by the spasms characteristic of the disease since they began the diet. The ketogenic diet is unusual in the relative proportions of the kinds of foods, but not in the actual foods themselves. As much as six-sevenths of the total diet is made up of cream, butter, olive oil, and other fatty foods. Sugars and starches are cut to a minimum. About one-tenth of 1 per cent. of the total population suffers from epilepsy, and the disease is believed to be on the increase. Its cause is unknown, but it is probable that some disturbance in the way in which the

body utilizes food may bring out the constitutional nervous defect which is possibly hereditary.

Progress in attacking scarlet fever was indicated when both Dr. W. H. Park and Dr. Abraham Zingher of New York declared that the Dick test for susceptibility and scarlet fever antitoxin for prevention and treatment should now be used widely by physicians and public health officials. Scarlet fever, recently an unconquered scourge of children, has now been beaten by its own poison. Scarlet fever toxin injected into the skin tells whether or not one is susceptible to the disease; injected deeper and in larger doses it causes the body to build up resistance against it. Its conquerors are Dr. George F. and Dr. Gladys H. Dick of the John McCormick Institute for Infectious Diseases, Chicago. The Dick test for susceptibility to scarlet fever is not unlike the Schick test for susceptibility to diphtheria. A toxin solution is prepared by planting the bacteria of scarlet fever in sterile broth, and after a suitable time allowed for their growth, removing the germs and sterilizing the broth by passing it through a porcelain filter. The strength of the toxin must then be tested on human volunteers, for animals cannot be used successfully in these tests. After the strength is determined, a little of the toxin solution is injected into the skin of the suspected person. If no reaction follows, the person is judged immune. If a pinkish or red discoloration the size of a dime or larger takes place, the person is likely to develop scarlet fever in case he is exposed. Much larger doses of the same kind of toxin are then injected into the subject's tissues. These may cause him to feel vaguely ill, but the malaise soon passes, and in the

meantime his system has developed an antitoxin that has destroyed the injected toxin, and has the power of neutralizing the results of any subsequent natural exposures to the disease. Tests since the discovery of this toxin have shown that non-immune persons properly inoculated become immune within two weeks and remain so for at least eighteen months. The investigators state that an antitoxin has also been developed, using horses' blood, after the fashion of the diphtheria antitoxin. This is now being used with success in the treatment of cases of active scarlet fever. Its use is not recommended for prevention, however, because the passive immunity conferred is short-lived as compared with the active immunity developed by the use of the toxin itself.

WHOOPIING COUGH TREATMENT

Another disease of childhood, whooping cough, has been attacked by an entirely different method. Although attempts have been made to isolate the causative organism and to prepare preventive and curative serums, success has not been achieved. The X-ray, a weapon against cancer and an ally to diagnosis, has proved useful. Dr. Lawrence N. Smith of Boston found that in hundreds of cases Roentgen ray therapy reduces the severity of the paroxysms of whooping cough and shortens the course of the disease.

Cancer, as it should, played an important part upon the program of the physicians. The news from the laboratories devoted to the study of this disease was not as hopeful as that from other sectors of the scientific advance. Dr. Francis Carter Wood of Columbia University, who for twenty-five years has studied thousands of animals and hundreds of human cases, declared that the physicians need expect little or no aid from the human body in its fight against cancer. Moreover, there exists today no effective cancer cure. Yet there is decided hope for the sufferer since there are many cases on record in which heavy doses of radium or X-rays have

delayed the serious complications for from six to twenty years. Most of those who develop cancer are well along in years and therefore such an extension in life is nearly equivalent to a cure. Heavy doses of X-rays are necessary to arrest the disease in inoperable cases, Dr. Wood said, and whenever possible he recommended the surgical treatment that attempts actually to remove all traces of malignant growth. Radium inserted into the cancer or tumor is also effective through destroying the rebellious cells themselves that make up the malignant growth. Yet after this seeming cure has been accomplished, Dr. Wood finds that living cancer cells that have been locked up and stopped in their harmful career will break out anew after a term of years. Susceptibility to cancer is undoubtedly hereditary in many cases, Dr. Wood declared, basing his statement on both animal experiments and data gathered in human cases.

To radium, helpful agent in the treatment of many diseases, must be charged a new disease reported to the doctors by Dr. S. L. Hoffman of Newark, N. J. He found that girls employed in painting the dials of watches for radium corporations to make them shine in the dark absorbed enough of the powerful and constantly disintegrating elements to cause a bone decay which brought on illness, and in some cases caused death.

As research continues the internal organs of secretions are discovered to be more and more important. The most important hormone discussed at the American Medical Association meeting was one of the female secretions. This basic substance has been isolated by Dr. Edgar Allen of the University of Missouri, and he has found that it is common to both animal and the human being. Just as in the case of the thyroid, adrenal, pituitary and other glandular products, the animal hormone will substitute completely for the natural secretion of the human gland. Dr. J. B. Collip of the University of Alberta, Edmonton, Canada, announced to the Association for the Study of Internal Se-

cretions that he had obtained from the parathyroid gland of oxen a hormone which will cure the serious disease in human beings known as "parathyroid tetany." Dr. Collip was one of the group of Canadian scientists who gave to the world insulin, the hormone so successfully used in the treatment of diabetes and now he has extracted an active glandular principle that regulates the calcium of the blood in the same way that insulin regulated the blood sugar. This new extract, first obtained only six months ago, and used a few times on actual human cases, promises to be a specific for essential hypoparathyroidism, a condition in which the parathyroid gland, located in the neck near the Adam's apple, fails to function. The animal gland extract will also be useful in other conditions, Dr. Collip predicted. Discovery that the secretion of the adrenal gland, located above the right kidney, is basic in the breathing or respiration of bodily tissue was announced by Dr. C. E. de M. Sejours of Philadelphia. Very minute amounts of adrenalin are poured into the blood, but these are sufficient to cause great changes in the speed of operation of bodily processes.

ALCOHOL AS A DRUG

The liquor question after years of prohibition continues to excite interest which is not confined to the general public. A house of delegates of the American Medical Association, through a resolution which declared alcoholic liquor to be a drug, effectively reversed its position taken in 1917 during the stress of war time. The doctors believe that liquor should be prescribable like any other drug without limitation of amount.

Action on the anti-evolution law of Tennessee was taken through a resolution declaring that "any restrictions on the proper study of scientific fact in regularly established scientific institutions is inimical to the progress of science and to the public welfare" and pointing out that "a study of the devel-

opment of mankind ethnologically, embryologically and anthropologically is fundamental to the proper comprehension of scientific medicine."

The physicians of the mind, the psychiatrists, held their meeting at Richmond on May 13, and revealed how powerful may be the influence of the mind upon the body. The question of mental trouble is one that largely concerns the city, for it is in the rushing and nerve-destroying centres of population that the largest percentages of mental disease are to be found. Dr. Horatio M. Pollock of the State Hospital Commission, New York, has compiled census figures which show that mental disease is nearly twice as prevalent in cities as in rural districts. Moreover, more men than women are likely to fall victims. After viewing his exhaustive study there is no question but that steps should be taken to protect the city dweller from mental breakdown and afflictions. "Mental disease in the future will be largely a city problem," Dr. Pollock says. "It appears that the complexities of our large cities require more adjustments than many individuals are equipped to make. To better the situation it will be necessary to strengthen the individual and lessen the stresses of city life. To accomplish this task will require the united efforts of parents, teachers, physicians and research workers on the one hand, and of employers, industrial leaders, city builders and economists on the other." These latest census data, collected from 526 institutions for mental disease, show that during a single year one out of every 1,116 men in the cities were admitted for treatment. Compared with this, only one in 2,155 men living in the country became insane during the year. Women in the city have one chance in 1,475 of being the subject of mental disease, while the rural female is afflicted only one time out of 2,817. One of the commonest ideas about insanity, that it is an affliction peculiarly prevalent in the country, has been completely upset by these figures.

Armies and Navies of the World

INTEREST in American naval affairs during June centred upon the need for improvement of the facilities of the Hawaiian Islands as a sea base for the United States Navy. Substantial developments along this line were projected, those being based upon the results of the April manoeuvres in the Pacific. Representative Thomas W. Butler of Pennsylvania, Chairman of the House Naval Committee, announced at Washington on May 8 that legislation providing for the building up of the Hawaiian defenses would be introduced at the December session of Congress. Representative Butler further stated that members of the House Naval Committee would visit Honolulu during the Summer, to study the situation at first hand and to gather data that would be of service in drafting the proposed legislation.

Newspaper discussion of the Hawaiian defense question continued. Discussion was focused upon the vulnerability of Honolulu and the Pearl Harbor base as demonstrated in the "invasion" of the island by American troops during the April tests. Charges were made that the troops stationed on the island were insufficient to protect the city, and also that the Pearl Harbor base facilities were inadequate. Answering the latter allegation, naval authorities on May 8 announced that Congress had already authorized improvements in the Pearl Harbor Channel which, it was said, would cost about \$5,000,000. Officials added that the first appropriation would be granted in the Winter of 1925-1926 and that dredging would begin in the Summer of 1926.

President Coolidge indicated on May 15 that he was opposed to using the United States Navy to enforce the Prohibition law; the President's stand on

this question was revealed when he rejected a suggestion of Wayne B. Wheeler, general counsel for the Anti-Saloon League. Mr. Wheeler had proposed that battleships be used in combatting the rum fleet off the Middle Atlantic coast; it was explained that President Coolidge, though anxious to see the Volstead law upheld, felt that the navy existed for defense and not for police duty.

Naval authorities on May 27 announced that the production of helium gas for the two giant naval dirigibles Shenandoah and Los Angeles had fallen below expectations, and that therefore enough gas for only one of the ships would be available during the Summer. It was added that, because of the shortage, plans were being made for a modification of the airships' schedules.

JAPAN

THE Japanese Government continued its policy of army retrenchment and naval expansion. It was announced on May 1 that 489 officers, including thirty-six Generals, had been retired, and that 5,000 enlisted men had been discharged from service. The new submarine, "No. 53," which is the largest in the Japanese fleet, was completed on May 27; it was stated that the vessel would be attached to the Yokosuka naval port. "No. 53," which is of ultra modern type, displaces 1,700 tons, and is capable of trans-Pacific cruise and return. The vessel is the first of a fleet of twenty submarines, including three mine-laying craft, which are to be built under a program announced several years ago; the entire fleet is scheduled to be completed in 1927.

The British Admiralty during April made public the following table of the

current naval construction programs of the five Great Powers:

	Cruisers. & Leaders.	Destroyers	Sub-marines.
Great Britain	8	3	4
United States	9	12	15
Japan	11	23	28
France	9	57	59
Italy	5	26	20

The table was widely commented upon in the British press, particular attention being directed to the impressive showing made by Japan.

FRANCE

THE Government announced on May 17 that no effort would be made to pass the Army Reorganization bill, enactment of which had been one of the chief aims of the late Herriot Administration. The announcement was taken to signify complete abandonment by the Painlevé Cabinet of the preceding Government's plan to cut the term of military service in France. The Army Reorganization bill contained provisions paving the way for the reduction of military service to twelve months, and also called for a general decrease of French military effectives. The measure had been strenuously opposed by Marshal Foch.

The Parliamentary Commission for Naval Affairs announced on May 18 that it would ask Parliament to increase France's naval air force to fifty fully equipped squadrons. Of the fifty squadrons planned thirty-five would be equipped on a war footing in peace time, the commission stated, and the whole program would be completed by 1938. France at present possesses only ten

naval air squadrons, of which but three are fully equipped.

GERMANY

THE controversy between Communists and militarists over the new German army budget aggregating 560,000,000 gold marks (about \$140,000,000) produced a sensation on May 27, when the *Welt am Abend*, Communist organ, published an article supporting in substance the charges of Marshal Foch that the present small German Army was in reality the skeleton of a force equal in size to the Imperial army of pre-war days. Dr. Otto Gessler, Minister of Defense, in a speech before the Reichstag on May 28 insisted that Germany had completely disarmed and denied charges made by the Communists that the nation was secretly preparing for war.

The Interallied Commission, which controls navigation on the Rhine, announced the seizure on April 30 of seventeen tons of military cartridges and incendiary bombs which had been found in the possession of Germans on a vessel coming from Holland.

ITALY

THE Army Reform Bill authorizing a reorganization of the national defense forces was passed by the Senate on May 18. The bill, which was sponsored by Premier Mussolini, provided for a union of the military and naval departments under command of the Army General Staff. Admiral di Revel, former Minister of Naval Defense, had opposed the measure as giving the army too much power at the cost of naval prestige.



A Month's World History Events in the United States

By ALBERT BUSHNELL HART

Professor of Government, Harvard University, Chairman of the Board of
Current History Associates and

ARTHUR N. HOLCOMBE

Professor of Government, Harvard University

SPEAKING at Arlington Cemetery on Memorial Day, President Coolidge made a strong appeal for the observance of law by all persons and for rigid enforcement of law by the State and local governments. He called attention to the popular tendency to make increasing demands upon the Federal Government and at the same time to denounce it for encroaching upon the rights of the States and of individuals. He emphasized the need for better, prompter, less irksome and expensive administration of the laws, for uniformity of procedure and for more accurate delimitation of State and Federal authority. "What we need," he declared, "is not more Federal Government but better local government." His insistence upon the duties and rights of the States recalled one of the traditional doctrines of the Democratic Party and seemed to some politicians not without political significance. Meanwhile, the President continued to urge the practice of economy both at Washington and in private life, despite the murmurs in certain quarters that excessive economy would be injurious to trade. In planning his trip to St. Paul, Minn., however, where on June 8 the President was the chief speaker at the centennial anniversary of the beginning of Norwegian immigration to the United States, he arranged to travel with his party in a special train rather than in an ordinary Pullman on a regular train as on his Chicago trip last year.

President Coolidge maintained his

stand in favor of the entrance of the United States into the Permanent Court of International Justice, despite the active campaign waged since the adjournment of the Senate by Senator William E. Borah of Idaho, Chairman of the Senate Foreign Relations Committee, against American participation in any World Court until the rules of international law shall have been codified. On May 26 it was announced that Senator William H. King of Utah, at a conference with the President, had assured him that the Democratic Senators were almost unanimous in favor of adhering to the Court without waiting for the codification of international law. Adherence to the World Court was also endorsed again (May 22) by the Chamber of Commerce of the United States at its annual meeting in Washington. The Permanent Court of International Justice, it declared, "is the embodiment of the aspiration and effort of our leading statesmen and jurists, * * * the objections which have been made to the entrance of the United States into the present Court are unimportant as compared with the advantages which would accrue to us and the support and impetus which our action would give to the promotion of international justice and the furtherance of international peace."

The Coolidge Administration maintained also the policy of formal opposition to the League of Nations, while informally participating in activities under its auspices. Representative Theodore E. Burton of Ohio, a prominent

part in the proceedings of the Conference on the Control of the Traffic in Arms at Geneva and advocated advanced measures, such as the restriction of the sale of poisonous gases and the use of deadly germs.

THE VICE PRESIDENT

Vice President Dawes continued his campaign in favor of restricting the freedom of debate in the Senate. Speaking at Birmingham on May 27 at the annual meeting of the Associated Industries of Alabama, he declared that he would carry the fight into the States which elect United States Senators next year, and avoiding partisanship, would ask the voters of all parties to insist that the issue be clearly defined in the Senatorial primaries. Senator Oscar W. Underwood of Alabama, who spoke from the same platform, was reported to have admitted that under the present rules the Senate may be controlled by a minority, and to have added that some rule should be adopted which would enable the majority of the Senate to control its affairs and to conduct business in an orderly and effective manner. Other prominent Democratic Senators, however, notably Senator Key Pittman of Nevada and Senator David I. Walsh of Massachusetts, were among those who publicly took issue with the Vice President.

LAW AND ORDER

The Coolidge Administration, it was reported, had determined to make "a tremendous effort" to enforce prohibition in every part of the United States and to that end would call into action every appropriate agency of the Government. According to the report, Senator James A. Watson of Indiana, an influential Republican leader, declared that "if, after it is enforced to the limit, the people do not stand for it," a decision can be reached as to whether or not the law shall be modified.

The most conspicuous step toward stricter enforcement was the establishment of a tight blockade against rum-

runners along the North Atlantic coast by the Coast Guard. The greatest efforts were made to break up the rum fleet off New York Harbor. Fleets of small, fast, heavily armed vessels were commissioned to picket every rum boat that might come within striking distance of shore and to patrol all waterways leading from the sea to the bootlegger bases on shore. Each rum boat was to be closely watched and compelled to keep outside the twelve-mile limit. Every smuggler that should attempt to get liquor ashore was to be intercepted. Similar measures were taken at the principal other rum-running points. Altogether the Coast Guard commanded a force of 16 cutters, 20 converted destroyers, 203 patrol boats, each seventy-five feet long, and 103 thirty-six-foot picket boats. Under the general supervision of Colonel Lincoln C. Andrews, the new Assistant Secretary of the Treasury, in charge of prohibition enforcement, Customs officials and the Prohibition Enforcement Agents ashore were cooperating with the Coast Guard more effectively than ever before. The Federal Prosecuting Attorneys were urged to greater activity. The energetic "padlock" campaign instituted by United States Attorney Emory R. Buckner at New York was followed by similar campaigns elsewhere. Nor were the milder methods of propaganda neglected. Prominent Federal officials renewed their appeals to the public to respect the law. Prohibition Commissioner Haynes devised an educational campaign to teach aliens in Americanization schools a better understanding of the dry law.

Some of the results of the campaign for better enforcement of the law were immediately apparent. The liquor fleet at Rum Row was broken up and dispersed. Rum-running along the neighboring coast was brought to a standstill. The shore organizations were thrown into confusion. The price of liquor in New York was reported to be rising. Secretary of the Treasury Andrew W. Mellon on May 18 expressed the opinion that the effectiveness of the new

methods was already well demonstrated and that rum-running would soon become unprofitable in the vicinity of the large cities. Sir Broderick Hartwell, "the rum-running Baronet," was reported to have notified his English associates that he was confronted with "an appalling situation." Anti-prohibitionists, however, minimized the results of the campaign. Captain W. H. Slayton, founder and executive head of the Association Against the Prohibition Amendment, declared that the war against the rum-runners was futile and a ruthless squandering of the taxpayers' money. Only a small amount of the illicit liquor in the country, he pointed out, was being imported before the campaign began, and the principal sources of supply remained untouched.

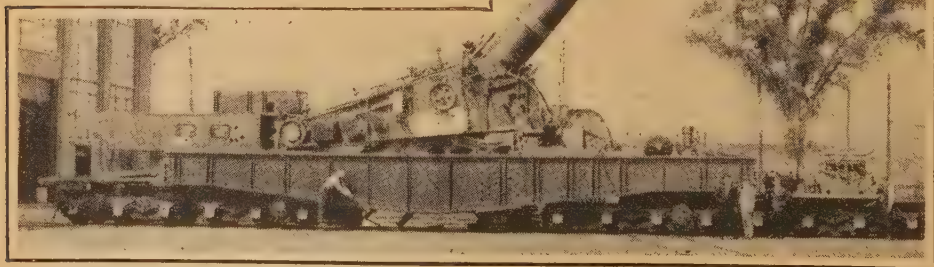
FOREIGN POLICY

The new phase in the foreign debt situation, foreshadowed by Ambassador Alanson B. Houghton's speech at the dinner of the Pilgrim Society in London, developed progressively. Early in May rumors were afloat in Paris that the American Government would presently demand a definite settlement of the French debt to the United States. On May 10 it was officially admitted at Paris that conversations had taken place between Ambassador Herrick and Finance Minister Caillaux, and a week later it was announced at Washington that the American Government had notified nine of its European debtors that the time had come for arranging a plan for liquidating the war and post-war debts. Foreign Minister Briand stated

that France would soon be ready to discuss a settlement with the United States.

NATIONAL DEFENSE

The naval manoeuvres at the Hawaiian Islands and the proposed cruise of the American fleet to Australia, together with the agitation for strengthening the Hawaiian fortifications, caused considerable political discussion at home and abroad. The Japanese press expressed alarm, taking the view that these naval movements and military preparations could be directed at no country but Japan. The demonstration seemed to many Japanese papers inconsistent with the spirit of the policy embodied in the treaty for the limitation of naval armaments. In the United States also there were critics to whom the whole proceedings seemed needlessly offensive to a friendly nation. It was further pointed out that nearly half the permanent population of the Hawaiian Islands are of Japanese extraction and that the loyalty of this element would be an important factor in the defense of the



Gilliams

The latest railway artillery: Fourteen-inch gun, throwing a 1,560-pound projectile 40,000 yards, which embodies various notable improvements made since the war

islands. Hence the problem was not merely a military and naval one, but also political.

Speaking on June 2 at the graduation exercises of the United States Naval Academy at Annapolis, President Coolidge adverted to the problem of national defense. "If we are to promote peace on earth," he declared, "we must have a great deal more than the power of the sword. We must call into action the spiritual and moral forces of mankind." And again, referring more particularly to the problems of the Pacific, he said: "The suggestion that any other people are harboring a hostile intent toward us is a very serious charge to make. We would not relish having our honorable motives and peaceful intentions questioned; others cannot relish having any of us question theirs. We should not forget that in the world over the general attitude and one of the strongest attributes of all peoples is a desire to do right."

ADMINISTRATIVE PROBLEMS

With the appointment of ex-Representative William E. Humphrey of Washington to the Federal Trade Commission, trouble broke out among the members of that body. Ex-Representative Humphrey, who was one of the Western managers of President Coolidge's campaign for renomination in 1924, sided with the conservative members who have long opposed the methods of procedure in certain classes of cases originally adopted by the commission. His appointment was followed by the adoption of new rules. One of the new rules provides that if firms against which complaints of unfair competition are filed, consent to abandon their alleged unfair competitive practices, the charges against them shall be dropped by stipulation. Another rule provides that there shall be no detailed publicity of complaints in cases so adjusted.

The Democratic members of the commission, now in a minority, protested against these rules on the ground that, as interpreted by the majority, they de-

prived the minority members of their right to publish dissenting opinions in cases before the commission and also deprived the public of information which it ought to possess concerning business practices. On May 17 both factions in the commission gave out statements to the press. Commissioner Humphrey, speaking before the annual convention of the Chamber of Commerce of the United States a few days later, defended the new policy of the commission and also criticized the Senate for requiring the commission to make investigations of business conditions, which, in his opinion, it had no right to do.

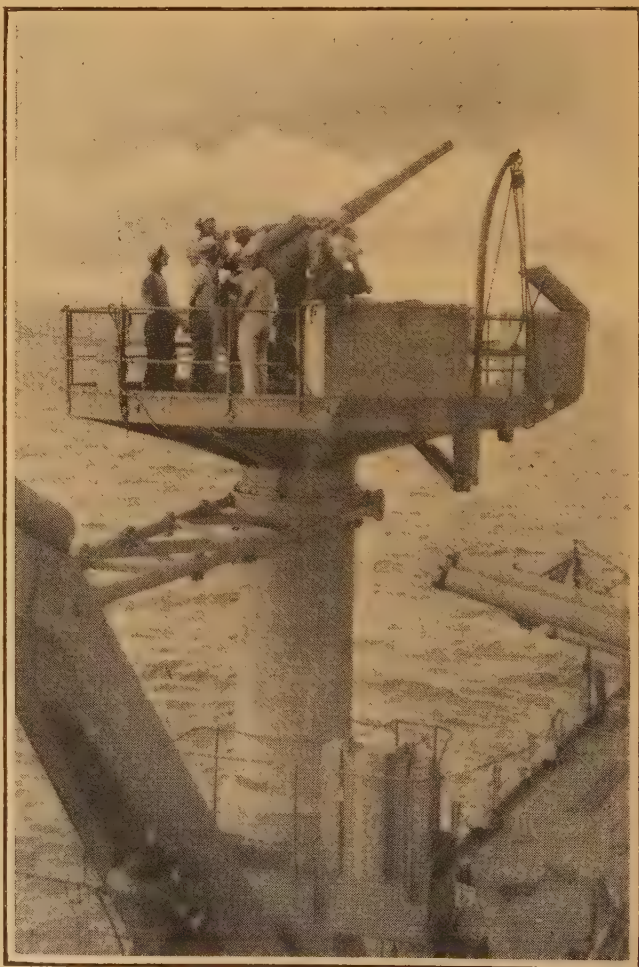
Commissioner Humphrey's criticisms of the Senate brought a quick rejoinder from representative members of that body. Senators William E. Borah of Idaho and George W. Norris of Nebraska declared that the commission had lost its usefulness and should be abolished. Since it had become involved in politics, Progressives could have no more confidence in it. Senator William M. Butler of Massachusetts also believed the commission should be abolished, though for different reasons. The commission had become a vexatious Paul Pry, he said, which did business more harm than good. Its abolition would be in line with the Republican policy of less Government interference with business. Secretary of Commerce Herbert Hoover, in an address before the same convention of the United States Chamber of Commerce, criticized the commission on still different grounds. The combination of semi-judicial and semi-legislative with strictly administrative functions in the same body was a mistake, he declared, and he advocated the separation of the former from the latter. Strictly administrative functions should not be entrusted to extraordinary commissions of any sort, he believed, but should be placed under the ordinary executive officers.

The Shipping Board also became the object of severe criticism. It was reported early in May that the board pro-

posed to dispose of 400 of its vessels to Henry Ford at a private sale. These vessels were lying idle and the Shipping Board had no plans for using them. But neither did it have any definite policy for scrapping its idle and useless tonnage, and there was serious division of opinion within the board over the wisdom of such a policy and strong opposition to permitting Mr. Ford to bid on the laid-up tonnage without competition. The authority of the Shipping Board to dispose of its vessels to Henry Ford or otherwise was confirmed at the White House, according to a report dated May 15, and the President was represented as favoring the disposal of Government tonnage after the needs of the merchant marine had been met. The Shipping Board on May 27 adopted a resolution providing that 200 idle vessels be advertised immediately for sale as scrap. These vessels aggregated over 800,000 deadweight tons, including 150 coal-burners and 50 oil-burners. Meanwhile Chairman T. D. O'Connor of the board continued his negotiations with Mr. Ford at Detroit with a view to the sale of useless vessels for scrapping or other purposes. "Now that the scrapping of useless ships is definitely under way," said Chairman O'Connor, "we shall turn our attention to useful active ships and make every possible effort to get bids from private American citizens, who will make the ships more useful." In a letter to the United States

Shipping Board on June 5 President Coolidge suggested that Admiral Palmer, President of the Emergency Fleet Corporation, be authorized to negotiate future ship sales, under guidance of the board.

It is interesting to note that every time the Shipping Board has undertaken the task of selling a group of ships, a controversy has developed within the board. The board split on the sale to the Dollar interests of the five ships of the President type, comprising the San Francisco-Orient line of the Pacific Mail. It failed to reach an agreement recently on a proposal to sell some cargo carriers in the



international

Anti-aircraft gun on the United States battleship Utah

North Atlantic trade. One of the aims of the President in transferring authority for sales negotiations to Admiral Palmer was to remove a principal cause of friction within the board. The transfer, it was said, might lead to interesting developments in relation to that mighty ocean liner, the *Leviathan*. Informal offers for the purchase of this vessel and some of the other vessels of the United States lines have been made but rejected hitherto by the board.

UNREGULATED IMMIGRATION FROM MEXICO

Secretary James J. Davis of the Department of Labor continued to call attention to the evil of unregulated immigration from Mexico. Speaking at the convention of the Brotherhood of Railway Trainmen in Cleveland, Ohio, on May 16, he declared that much of the Mexican immigration is undesirable and that there is wholesale smuggling of aliens, including Orientals, across the Mexican border. He believed that there were a million aliens illegally within the country at the present time and that the problem could not be effectively solved without an annual registration of all aliens in the United States.

Progress was made in the prosecution of the oil fraud cases. Following the dismissal on technical grounds of the original indictments against former Secretary of the Interior Albert B. Fall, Edward L. Doheny and Harry F. Sinclair in the Supreme Court of the District of Columbia, new indictments were returned May 27 by a Federal Grand Jury at Washington. The bribery charges, which were the basis of the original indictments, were dropped, and the new indictments contained charges of conspiracy to defraud the Government through the oil leases. The Government also appealed from the decision of Chief Justice Walter J. McCoy of the District Supreme Court, quashing the original indictments on the ground that the presence in the Grand Jury room of an Assistant Attorney General had invalidated them, to the

District Court of Appeals. On May 28 Judge McCormick in the United States District Court at Los Angeles handed down a decision in favor of the Government in its suit for the cancellation of the Elk Hills oil land leases and of the contracts for the construction of oil storage facilities at Pearl Harbor. The Government was entitled to cancellation and annulment of the contracts and leases, the opinion of the Court said, "by reason of the fraud and conspiracy of Secretary Fall and Mr. Doheny." The Court declared that the leases and contracts would also have been invalid on account of the illegal transfer of the naval oil land reserves from the Navy to the Interior Department, although that was done under written orders of President Harding. The Doheny interests promptly appealed to the United States Circuit Court of Appeals.

THE SUPREME COURT

The United States Supreme Court adjourned on June 8 until next October. During the last month of its term it handed down decisions in a number of important cases.

Two decisions related to the rights of Japanese in the United States. In one case, involving the constitutionality of the California Alien Land law, an American had acquired title to land which he proposed to hold in trust for the minor children of a Japanese farmer. This he claimed a right to do on the ground that the children were born in the United States and hence were American citizens. But the State of California contended that he was really holding the land for the benefit of the father of the children, who was Japanese, and prosecuted both the men for conspiracy. The Supreme Court sustained the contentions of the State of California. In the other case, involving the right of Japanese to acquire American citizenship on the ground of public service, a Japanese sailor based his claim upon nearly ten years of honorable service in the United States Coast Guard. The Supreme Court held that Congress, in making provision for the

naturalization of aliens in the military or naval services, had not intended to extend the privilege to Japanese. Chief Justice Taft dissented in the last case.

The Supreme Court on May 25 handed down its decision in the cases involving the right of Congress to authorize the publication of the names of income taxpayers and of the amounts paid. Federal District Courts in various parts of the country had decided that newspapers were at liberty under the law to publish the information, but the Commissioner of Internal Revenue had been of the opinion that the publication of names and amounts was illegal, and the Government carried test cases to the Supreme Court. The decision of this Court was adverse to the contention of the Government. Congress, the Court declared, had a right to change its original policy of non-publication at its discretion and had clearly done so by the law in question, a part of the Revenue act of 1924. The decision caused much discussion of the possible repeal of the law at the next session of Congress. On May 26 Senators William E. Borah of Idaho, James Couzens of Michigan and William H. King of Utah all declared that the law would not be repealed. Senator George W. Norris of Nebraska, author of the publicity feature of the law, was reported to have said that he might offer an amendment to the next revenue bill to provide for even greater publicity.

On June 1 the Supreme Court handed down two important decisions in cases involving the legality of trade associations. One case was that of the Maple Floor Manufacturers' Association, comprising a score of manufacturers in Michigan, Wisconsin and Minnesota, who had combined ostensibly for the purpose of exchanging information concerning business conditions. The other case was that of the Atlas Portland Cement Company and twenty others, doing business mainly in New York, New Jersey, Pennsylvania and other Eastern States, who had combined ostensibly for the same purpose. The Government

contended that both were combinations in restraint of trade and in violation of the anti-trust acts. The combinations declared that the trade practices which they pursued were lawful business methods. The lower courts had decided in favor of the Government, but the Supreme Court reversed those decisions, holding that trade associations do not violate the anti-trust law by merely gathering and disseminating among their members information concerning costs and quantity of production, stock conditions and sale prices, and that there was no evidence in these cases of any unlawful intent on the part of their members. Three of the Justices dissented, declaring that the trade associations involved in these cases were no less guilty of monopolistic practices than the hardwood lumber and linseed oil associations which had been previously found to be unlawful by the Supreme Court. The decisions were generally recognized as favorable to the further development of trade associations by domestic manufacturers.

On the same day by a unanimous decision the Supreme Court declared the Oregon Compulsory Public School law of 1922 to be unconstitutional. This law prescribed that all children between the ages of 8 and 16 should attend the public schools and would have become effective on Sept. 1, 1926. It was supported by the argument that complete control of the education of its youthful citizens is an appropriate measure for the preservation of American political principles and institutions. It was opposed on the ground that it was in reality a measure instigated by the Ku Klux Klan for the advancement of its special objects and was directed particularly against the parochial schools of the Roman Catholic Church. The cases before the Court were instituted by the Society of the Sisters of the Holy Names of Jesus and Mary, which operated parochial schools, and by the Hill Military Academy, a private non-sectarian institution. The Supreme Court refused to sustain the law, declaring that it was an unreasonable in-

terference with "the liberty of parents and guardians to direct the upbringing and education of children under their control," and hence, if enforced, would deprive them of liberty and property without due process of law. At the same time the Court pointed out that the decision raised no question of the right of the State to make reasonable regulations for all schools, private as well as public, and to supervise and examine their teachers and pupils, to require that teachers should be of good moral character and patriotic disposi-

tion and that studies essential to good citizenship should be effectively taught and to prevent all abuses manifestly inimical to the public welfare.

Wallace McCamant of Portland, Ore., formerly an Associate Justice of the Oregon Supreme Court, was appointed on May 26 a Justice of the United States Circuit Court of Appeals. Justice McCamant, when a delegate to the Republican National Convention, June, 1920, upset the plans of the party leaders by placing Calvin Coolidge in nomination for the Vice Presidency.

The United States: Social and Economic Developments

By DAVIS R. DEWEY

Professor of Economics, Massachusetts Institute of Technology

PUBLIC FINANCE

THE increasing effort of both the Federal and the State governments to raise revenue through the imposition of inheritance taxes has for several years created most perplexing problems. As yet there has been little disposition on the part of legislative bodies to remedy the conflicts of authority. The Supreme Court, however, in a decision (June 1) took a step which may point the way to reform. In a case involving the settlement of the estate of Henry C. Frick of Pittsburgh it held that States, in imposing inheritance taxes on the transfer of estates of deceased persons, can tax only that part of the personal property which is situated within their borders. More specifically, the State of domicile cannot tax the value of stocks of companies incorporated in other States without allowing for a reduction of inheritance taxes paid to the State of incorporation. The decision, it is expected, will allow freer investment of capital, and un-

doubtedly lead to the revision of State inheritance laws. It is also expected that large sums will have to be refunded by States which have followed the Pennsylvania practice of imposing the State's taxes upon the gross estate, wherever located.

Efforts have been made to expedite the settlement of disputes in regard to income tax levies. The Division of Appeals and Review in the Office of Internal Revenue was abolished on June 1 and henceforth appeals are to be taken directly to the United States Board of Tax Appeals. It is estimated that from three to six months will be saved in the determination of tax settlements. In May there were 1,410,000 income tax cases in dispute, covering the years 1917-1923, involving hundreds of millions of dollars.

President Coolidge heroically continued his efforts for economy. The Budget Director is making a study to bring expenditures below \$3,000,000,000. To arrive at this goal a further

cut of \$300,000,000 over current estimates must be made. Some fear, however, that this will mean a reduction in expenditures for the army and navy, and in some quarters there is resentment, particularly on the part of retail stores, on the ground that the President's harping on economy is a factor in diminishing seasonal buying. In the interest of economy and greater administrative efficiency the Bureau of Mines and Mineral Statistics section of the Geological Survey was transferred July 1 to the Department of Commerce.

CAPITALISTIC ENTERPRISE

The Ford Company was sued May 7 in Mississippi by the State Revenue Agent on the charge of criminal conspiracy to violate the anti-trust laws of the State, and penalties of \$12,000,000 were sought. It was claimed that the Ford Company made agreements in restraint of trade with local companies. Governor Miller promptly called on the Revenue Agent to dismiss the suit as hostile to the business development of the State.

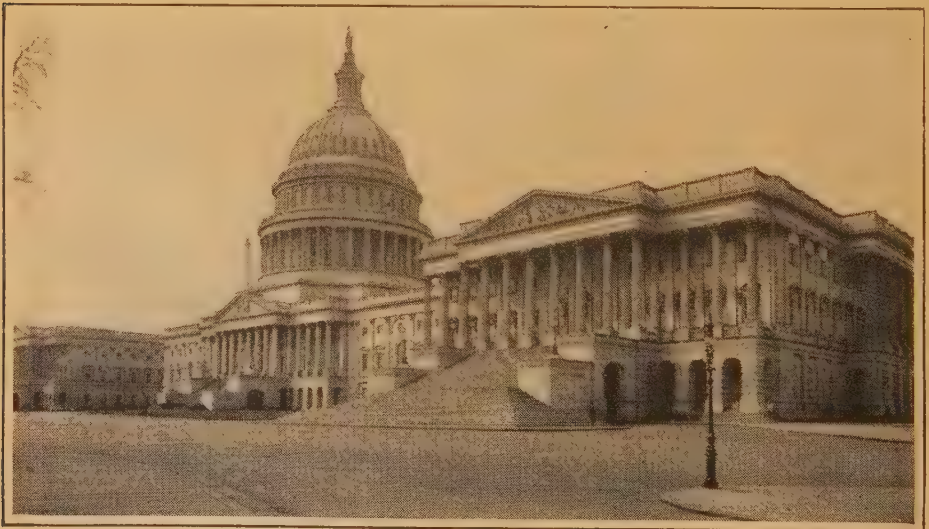
On May 29 the Grand Jury of the Federal Court in Chicago returned 269 indictments against manufacturers of furniture for breaking the trust laws.

The consolidation of electric power companies is going on rapidly. The National Public Service Corporation on May 28 purchased nine subsidiary public utilities in Virginia, Pennsylvania, Ohio and Georgia. The property valuation of this new consolidation amounted to \$100,000,000, with an annual gross revenue of \$20,000,000. Plans to consolidate a number of electric light and power companies in the Mohawk and Hudson Valleys were laid before the New York Public Service Commission June 1. The proposed merger will have a capital of \$50,000,000.

The New York Edison Company announced in the latter part of May the beginning of the construction of a power plant in lower New York City, to be the largest in the world, at a cost of \$50,000,000, with a capacity of 700,000 kilowatts. This is greater than the proposed power development at Muscle Shoals. The New York plant will have a capacity to light 3,000,000 six-room homes, and the company is preparing to serve a population of 16,000,000 in the Greater New York district by 1950.

TRANSPORTATION

The banker managers on June 2 announced a plan for the reorganization



The Capitol and the Senate Assembly Chamber

of the Chicago, Milwaukee & St. Paul Railway. Stockholders were assessed \$60,699,000 and slight readjustments in bond issues were made. The new cash resources will be largely applied to liquidating the Government loan of \$55,000,000 credited during the war. Critics held that the plan was unduly harsh to the stockholders and that arrangements might have been made whereby the debt to the Government could have been extended to allow the road to recuperate, if higher rates were granted by the Interstate Commerce Commission.

The Williams Aero-Transportation Company of New York on June 7 announced the early establishment of passenger and freight aerial lines between New York and Miami and New York, Chicago, St. Louis and Omaha. The fare for passengers between New York and Chicago will be \$200.

According to a survey made by the American Committee on Highway Transport, Americans spend \$8,000,000,000 annually in the purchase and maintenance of automobiles. Two billions go for new cars and the remainder for accessories, new tires, gasoline, repairs, garage items, &c. Estimates placed the number of automobiles in the 6,500,000 farms of the United States at 4,500,000 in 1924. The new \$80,000,000 Union station and terminal in Chicago was opened on May 16, after three years of construction.

RELIGIOUS, SOCIAL, SCIENTIFIC

The Grand Jury at Dayton, Tenn., on May 25, indicted John T. Scopes, a high school teacher, on the charge of violating the State law enacted March 21 against teaching evolution in the schools. The case was scheduled to be tried at a special session of the Circuit Court on July 10. William Jennings Bryan promptly accepted an invitation to aid in the prosecution: "We cannot afford," declared Mr. Bryan, "to have a system of education that destroys the religious faith of our children." The defense, it was understood, would rest

on the unconstitutionality of the law; supporters of the defense have enlisted the aid of scientists and lawyers, who will test the right of freedom of teaching as well as the right of freedom of learning. Mr. Bainbridge Colby, former Secretary of State under President Wilson, accepted an invitation to serve as counsel for Mr. Scopes, in association with Clarence Darrow of Chicago and John R. Neal of Tennessee. The American Civil Liberties Union is also taking an active interest in the case.

The Carroll County Teachers' Association of Tennessee on May 30 voted to eliminate from the school libraries of the county "The Story of Mankind," by Van Loon, which includes a description of man's evolutionary development from a jelly fish.

The Supreme Court unanimously held in a decision delivered June 1 that the Oregon law requiring all children in the State between the ages of 8 and 16 to attend a public school after September, 1926, was unconstitutional. This decision does not affect the power of the State to enforce proper schooling, and the State may insist that the academic standards of private schools be the same as public schools. The Government, however, cannot interfere with the right of the parent to select the kind of instruction to be given to his children.

Fundamentalism was an outstanding issue at the Presbyterian General Assembly held at Columbus, Ohio, the latter part of May. The Rev. Charles R. Erdman, a moderate Fundamentalist, was elected Moderator after a contest with the more conservative Fundamentalists. His election was regarded as a defeat for Mr. Bryan. The Fundamentalists, however, gained a victory by the adoption of a resolution that the General Assembly had the right to "review and control" the acts of local presbyteries, and that all presbyteries should insist on belief in the virgin birth as a qualification for the acceptance of candidates for the ministry.

Mexico and Central America

By CHARLES W. HACKETT

Associate Professor of Latin-American History, University of Texas

BITTER labor disputes and conflicts constituted the most serious problem in Mexico during the month under review. Notable among the controversies was a clash between President Calles and the organized labor element. When union oil workers at Tampico went out on strike because some employes of the Huasteca Petroleum Company were members of a union not recognized by the Federation of Labor, President Calles ruled that the strike was illegal inasmuch as the differences were between two labor factions and not between the strikers and the company; at the same time the President ordered protection to be given to the Huasteca Company. Because of the President's ruling, the Federation of Labor on May 15 voted in favor of declaring a national strike out of sympathy for the union oil men at Tampico, unless President Calles modified his attitude with respect to that conflict. Four days later President Calles reiterated to a delegation of strikers his determination not to permit a general strike, and asserted that he would use all the force at his command to prevent disorder. This stand was regarded in some quarters as the first sign of the determination of the Government to check the unions and force them to comply with the law. United States Ambassador Sheffield stated in New York on June 2 that when he left Mexico City on May 23 the danger of a general strike in Mexico had passed.

One of the bitterest and most serious contests that has been waged in recent years between organized labor and organized capital in Mexico developed in May when the Union of Bank Clerks endeavored through the solicited aid of

Mexico's largest labor union, the Regional Federation of Labor, to secure demands that had been made against all banks in Mexico.

A crisis in the dispute was reached on May 15, when the Union of Bank Clerks requested the support of the Regional Federation of Labor in its fight for demands which, if accepted, would have transferred control of the banks from the owners to the union. The Federation, however, under the leadership of Luis Morones, labor leader and Minister of Industry, refused to support the demands of the bank employes, on the ground that the granting of these demands would precipitate the closing of the banks, which in turn would cause the complete collapse of business. As a result, the Union of Bank Clerks, charging that it had been abandoned by the Federation, found itself obliged to retract its demands against the banks.

Interest in foreign relations centred upon an informal discussion between the United States and Mexico, relative to abuses alleged to have been suffered by American citizens in Mexico. Secretary of State Kellogg announced at Washington on June 12 that the American Government would continue to support President Calles "only so long as American lives and rights are protected in Mexico." He added that conditions in Mexico were "unsatisfactory" and that the United States expected Mexico to indemnify Americans for properties illegally taken. The statement followed conferences between President Coolidge, Secretary Kellogg and James R. Sheffield, American Ambassador to Mexico, who had reported upon conditions in the southern republic. Presi-

dent Calles responded on June 14. In his reply, which was couched in spirited terms, President Calles insisted that Mexico be permitted to solve her domestic problems in her own way.

An administrative development of interest was the removal from office by President Calles on June 8 of Manuel Gamio, sub-Secretary for Education. Charges by Señor Gamio in the press that there was corruption in the Department of Education were believed to have led to his removal.

A definite split involving, according to *El Excelsior*, a break in the Radical bloc in the Chamber of Deputies, developed during May between the National Agrarian and Labor Parties. This division had its origin in a speech made at the Peasants' Convention, at Zereze, Zacatecas, early in April by Luis Morones. In this speech Morones is alleged to have attacked the Agrarian Party, and in so doing to have antagonized Rodrigo Gómez, President of the National Agrarian Party, and Governor Manrique of San Luis Potosí. All efforts to compose the differences between the two parties were definitely abandoned on May 12.

Hostility to the Mexican Government, which originated in the recent conflict between the orthodox Catholics and the members of the Mexican Apostolic Catholic Church, was openly manifested by leading Roman Catholic clerics during May. Early in the month José Manrique de Jesús Zárate, Bishop of Huojutla, alleged in a pastoral letter that the Mexican Government was guilty of theft in having taken over church buildings seized by the dissident Mexican Apostolic Church. Because of his refusal to submit to the Government in matters "in which the Pope is the only authority," Bishop Zárate was cited to the Attorney General. On May 7 the Archbishops and Bishops of Mexico declared their support of Bishop Zárate's statements.

The Attorney General on June 9 announced the opening of a campaign to rid Mexico of undesirable foreigners; he blamed Mexico's recent crime wave on notorious aliens and asked all civil

authorities to aid him in effecting the deportation of these criminals.

El Universal reported that early in May certain de la Huerta leaders held a conference in Phoenix, Arizona, at which it was decided to try to induce the three Mexican Generals now in command of the principal bodies of troops to join the de la Huerta forces. The Mexican Government was reported to have received information concerning the decisions reached at this meeting. The Mexican gunboat *Bravo* on May 15 captured the sloop *Anita* in the vicinity of Vera Cruz; the vessel was loaded with 500 rifles and 200,000 rounds for rebels operating in the State of Vera Cruz. Several rebellious groups were reported to be active in that State. At the village of General Anaya, one of the suburbs of Mexico City, thirty-two persons, including the Mayor, the Chief of Police, and members of the village council, were arrested on May 23; it was alleged by the Secretary of the Interior that they had been involved in a plot to assassinate President Calles. At Tacuba, another suburb of Mexico City, a revolutionary plot headed by General Ireneo Albarrán, in behalf of Adolfo de la Huerta, was discovered and the accomplices arrested; various revolutionary documents were seized. Orders were issued to army officers on May 30 to disarm all civilians and agrarians. The disarming of the agrarians presents serious difficulties; according to one Mexican Congressman, there are at present 150,000 armed agrarians in Mexico.

During May the Mexican Government paid out 3,000,000 pesos in silver in settlement of commercial debts that were contracted during the de la Huerta revolution in 1923-1924. This payment included all the obligations of less than 20,000 pesos and an instalment of 15 per cent. on larger obligations.

The opening session of the United States-Mexico Conference on drug smuggling and other border questions was held at El Paso, Texas, on May 15; Lincoln C. Andrews, United States Assistant Secretary of the Treasury, presided as Chairman of the joint com-

mission. Four committees were appointed. The first of these took under consideration all phases of smuggling; the second, migration and deportation problems; the third, hunting and fishing and health problems, and the fourth, extradition and international procedure. Reports of the four committees were considered by the commission as a whole on May 23. The agreements reached by the commission will not be made public until the treaty embodying them has been submitted to the Senate for ratification; Chairman Andrews in Washington on May 30 stated, however, that the proposed treaty was stronger, broader and covered more points than a similar treaty which was negotiated a year ago between Canada and the United States. Mr. Andrews heartily commended the honesty and sincerity of purpose of the Mexican delegation and asserted that the Mexican authorities were gradually driving the undesirable element back to the United States, whence it came. Mr. Andrews expressed the belief that the treaty would eliminate the present unstable conditions on the Mexican side of the border; he attributed these conditions "to certain elements in this country [the United States] who have taken advantage of a neighbor's disrupted house to create conditions of crime and debauchery that send a stench to high heaven."

The recent statement made in Moscow by M. Tchitcherin, the Soviet Foreign Minister, that the recognition by Mexico of the Soviet Government had resulted in Mexico's becoming a base for the spread of Russian policies in America, drew from President Calles on May 5 a sharply worded repudiation of the Russian Minister's assertions.

Cuba

GENERAL Gerardo Machado y Morales was inaugurated as fifth President of Cuba at the Presidential Palace in Havana on May 20. Earlier the same day Carlos de la Rosa was sworn in as Vice President before a joint session of the Cuban Congress. President Machado's Cabinet, as announced on May 20, is as follows:

CARLOS MANUEL DE CESPEDES, Liberal—State.

DR. JESUS MARIA BARRASQUE, Liberal—Justice.

RAFAEL ITURRALDE, Popular—War and Marine.

ROGERIO ZAYAS BAZAN, Liberal—Interior.

GUILLERMO FERNANDEZ MASCARO, Popular—Education.

DANIEL GISPERT, Popular—Sanitation.

ENRIQUE HERNANDEZ CARATAYA, Liberal—Treasury.

ANDRES PEREIRA, Popular—Agriculture, Commerce and Labor.

CARLOS MIGUEL DE CESPEDES, Liberal—Public Works.

VIRATO GUTIERREZ, Liberal—Secretary of the Presidency.

Approximately twenty special missions from foreign countries, in addition to the regular Diplomatic Corps at Havana, attended the inauguration of President Machado. Aaron Sáenz, Mexican Minister of Foreign Affairs, was the senior head of the special missions. The Mexican cruiser Anauhac joined in the official salute to the new Executive. President Coolidge cabled hearty felicitations to President Machado on the day of the latter's inauguration.

A shortage of \$2,000,000 in the accounts of the Public Works Department was announced after the regular Cabinet meeting at the Palace on June 3. An audit of the accounts of the department was begun immediately following the inauguration of the new Government.

Nicaragua

THE Nicaraguan Senate early in April adopted a resolution calling for an investigation into salaries and expenses of the financial mission headed by Dr. Jeremiah Whipple Jenks, Research Professor of Government and Public Administration at New York University. A second resolution requested the President to cancel the contract of Ralph N. Elliott, colleague of Dr. Jenks, in order to avoid excessive expense and because of the alleged impracticability of Mr. Elliott's projects. The Nicaraguan Government has rejected the accounting plans drawn up by Dr. Jenks and Mr. Elliott and has rejected also the latter's

project to induce the United States to finance and begin preliminary work on an interoceanic canal through Nicaragua.

The Nicaraguan Chamber of Deputies by May 12 had passed the Constabulary bill. This provides for a constabulary of 400 officers and men, independent of politics, who are to be trained by American or other foreign instructors. Early in June it was announced that Major William B. Carter of Texas, former constabulary officer and Governor of Cottabato Province, Philippine Islands, had been named chief instructor of the Nicaraguan constabulary.

Former President Bartolomé Martínez has been appointed Nicaraguan Minister to the United States. At the time of his appointment to this diplomatic post he was serving as Minister of the Interior in President Solorzano's Cabinet.

Haiti

CUSTOMS receipts for the first half of the fiscal year, 1924-25, which ended on March 31, 1925, totaled 22,199,000 gourdes [the par value of the gourde in United States currency is 20 cents]. This was an increase of 3,469,000 gourdes over the customs receipts for the corresponding period in the last fiscal year. Total revenue receipts for the first half of the present fiscal year were 24,701,000 gourdes, or approximately 25 per cent. more than those of the first half of the preceding fiscal year. Government expenditures for the first half of the present fiscal year totaled 23,154,000 gourdes, or 3,776,000 gourdes in excess of the total governmental expenditures for the first half of the fiscal year 1923-24.

At the end of March there was an unobligated cash balance of 3,125,000 gourdes in the Haitian Treasury. At the same time the gross debt of Haiti had declined from 121,049,000 gourdes, on Sept. 30, 1924, to 116,000,000 gourdes.

The cornerstone of the first section of the main building of the new agricultural school was laid on March 25. The program for this ceremony included ad-

resses by President Borno, the Haitian Secretary of Agriculture, and Dean Emeritus Hunt of the College of Agriculture of the University of California.

Honduras

CONSIDERABLE obscurity veiled the details concerning revolutionary activities in Honduras during May; full information was not available. It was officially reported, however, on May 13, that Tegucigalpa was practically in a state of siege, with consequent interference in commerce.

Guatemala

THE Guatemalan Government has adopted the international police code that was drawn up at the Police Conference held in New York in March, 1923. The work on this code was directed by Police Commissioner Richard E. Enright of New York. The code will be used in the exchange of confidential messages between Guatemalan authorities and the New York Police Department.

Costa Rica

THE Costa Rican Congress in May approved the arrangement for the settlement of the French loan on a basis of 10 cents United States gold for each franc. In 1922 the unpaid balance of the French loan amounted to 32,672,500 francs, or the equivalent of 13,477,406.25 colones. At the same time the unpaid balance of the English debt amounted to £1,516,460, or the equivalent of 15,847,007 colones. In addition the internal debt of Costa Rica was 40,050,901.89 colones.

Panama Canal Zone

COLONEL M. L. WALKER, Governor of the Canal Zone, announced on May 20 that legislation had been proposed which, if adopted, would reduce the burden of tolls on shipping. Under the proposed change rates would be fixed at one dollar per ton loaded and sixty cents per ton in ballast.

South America

By HARRY T. COLLINGS

Professor of Economics, University of Pennsylvania

COMMUNICATION between the United States and South America, by railroad, steamship and airplane, continued to command attention. Progress on the Pan-American Railroad, which is ultimately to connect New York and Buenos Aires, was reported on May 14 at a meeting of the Pan-American Railway Committee in New York. Minor C. Keith, founder of the United Fruit Company and a member of this committee, reported that 3,000 laborers were now working on the line in Central America and that the link in Nicaragua would soon be completed. The Pan-American Union is collecting information as to the best route for the links still to be constructed in Panama, Colombia, Ecuador and Bolivia.

Press reports of May 26 stated that Henry Ford had under consideration a plan to enter coastwise commerce with a fleet of ships equipped to carry fruit from South America to the United States. The vessels under consideration for the establishment of this service are seven of the fourteen refrigerator boats fitted for such trade; these boats are now in the idle fleet of the United States Shipping Board.

Proposed airplane service for passengers, mail and express, linking Northern South America with Key West, Florida, was announced during the month. Permission for the establishment of the service has been granted by the United States Government and Postmaster General New is encouraging the project. Discussing this project, Mr. New said:

Some time ago an Austrian company came to me with the proposal to extend its lines from Colombia to the United States, with stops at the Panama Canal. I told the promoters that if they organized an American company we would be glad to encourage it and I could give it a good deal of business. They have organized an American company,

and the ships are to be operated by American crews.

The airplane service will use Barranquilla, Colombia, as a base. From this point the first link of the journey will include stops in Panama, Managua, Nicaragua and San José, on the Pacific coast of Guatemala. Passengers, mail and merchandise will be transported across Guatemala by rail to the Caribbean port of Puerto Barrios, whence airplane service will be continued to Havana and Key West. For military reasons the United States Government has insisted that the line must be owned and operated by American capital. The concern which projects the service has operated in Colombia for the past three years over an area of 2,000 square miles, and a dividend of 6 per cent. has been paid on the investment.

Argentina

PROFESSOR ELMER S. RIGGS of the Field Museum of Natural History, Chicago, recently returned from a twenty-eight months' expedition in South America. With him he brought 800 fossils of about 100 species of animals that had lain buried in the Argentine and Bolivia from 8,000,000 to 15,000,000 years. These specimens differ from those found in any other part of the world. The fossils of prehistoric animals suggest that South America was once isolated from the rest of the world, and that the southern portion of that continent was not connected by land with the northern portion. In the Patagonian part of the Argentine a fossil forest was found which, buried by volcanic ash like Pompeii, was in an almost perfect state of preservation. The museum asserts that this new collection is one of the largest owned by any one institution in the world.

The removal of the Argentine em-

bargo on shipments of gold had little effect on exchange in Buenos Aires. Peso exchange has recently favored import trade. The Government manifested a disposition to reopen the conversion office as soon as the floating debt of the country had been entirely consolidated. A loan of \$45,000,000 in New York, at 92 with 6 per cent. interest and no commission, was issued June 1. Of this sum \$20,000,000 will be used to meet the American loan of that amount due in August. The balance of the proceeds will be used for the funding of other short-term indebtedness.

Agricultural conditions in Argentina remained favorable. An official estimate on May 26 placed the current corn crop at 4,716,000 tons and the exportable surplus wheat at 1,690,000 tons. Exports of meat reached record figures during the first quarter of 1925.

The recent arrival at River Plate ports of the steamer Vazlav Vorovsky, the first to fly the Russian Soviet flag in Argentine waters, caused press comment, especially as its arrival coincided with a Socialist motion in the Chamber of Deputies, advocating de jure recognition of the Soviet Government of Russia.

Due to the many difficulties encountered, Major Pedro Zanni's attempted world flight, begun at Amsterdam, Holland, July 26, 1924, was considered to have officially ended. The Argentine aviator has been in Japan since last October, with his outfit still in need of repairs.

Brazil

PRESIDENT BERNARDES, on May 3, presented to Congress his annual message outlining the salient developments during 1924, and advocating policies for 1925. The Chief Executive emphasized the stability of present financial conditions as justifying the confidence which he displayed in his previous message. The Sao Paulo revolution last July and more recent disturbances in the State of Rio Grande do Sul caused heavy expenditures for the pres-

ervation of order. In spite of this, however, the deficit for 1924 was less than \$12,000,000. This is one-half of the deficit for 1923 and less than one-quarter of the large deficit of 1922. Except for the payment of expenses incident to the quelling of these disturbances and payment of some \$8,000,000 of interest on the floating debt, the President maintained that the year would have ended without shortage.

The message recommended strict adherence to measures of economy previously advocated, including the suspension of all public works except such as are of absolute necessity. As a part of this program of economy a complete reorganization of Federal bureaus was recommended to Congress. It was pointed out that economy in Government purchases may be brought about by simplification of the present purchasing system. Long delays in payments, caused by scattered bureaus, mean material increase in the cost of all Government supplies. The President recommends that a central buying agency be established.

Interest in Brazil centred in the coffee market during the past month. Coffee prices have been unusually high for some months past. As a result the demand in the United States for Brazilian coffee has greatly decreased, especially since May 1. Rumors spread that a boycott of Brazilian coffee had been organized in the United States. Carlos de Campos, President of the State of Sao Paulo, Brazil's chief coffee centre, announced on May 15 that investigators had been sent to the United States to learn the reason for the sudden decrease in purchases by American importers and the consequent accumulation of stocks at Santos. President de Campos said:

The Sao Paulo coffee defense institute is taking the necessary measures to prevent a collapse of the market, and the State Government is seeking the cooperation of the neighboring coffee States with the object of preventing a financial crisis in case of a break in the market.

Sao Paulo is unaware of the real cause of

America's refusal to buy Brazilian coffee and doubts the statement that it is solely because the American consumers are unable to buy owing to high prices demanded by the local producers.

The National Coffee Roasters' Association of the United States on May 16 sent two delegates to Brazil to confer with Sao Paulo authorities regarding the demoralized coffee market in North America; the delegates were Felix Coste, director of the association, and F. J. Ach, coffee roaster, of Dayton, Ohio. Before leaving the country Mr. Coste assigned the following three reasons for the slump in buying here: Brazil's own underestimating of the competitive strength of milder grades of coffee; restrictions placed on shipments at Sao Paulo to keep the export price up, and something of a merchants' boycott in this country.

Senhor Gurgel do Amarel, newly appointed Brazilian Ambassador to the United States, arrived in New York on June 9 and proceeded at once to Washington. Senhor do Amarel was formerly Secretary to the Brazilian Embassy in Washington.

Radio messages broadcast from the heart of the Amazon jungles by the Alexander Hamilton Rice expedition were picked up by an amateur radio experimenter in Philadelphia on May 27. During two hours of communication eight messages were received, one of them announcing the discovery of white Indians in the Amazon district. The messages were forwarded to the American Geographical Society of New York, which made them public.

Figures just issued show that the United States maintained first place in the foreign trade of Brazil in 1924. Brazilian exports for that year amounted to \$95,103,000 and imports to \$68,949,000, as compared to \$74,184,000 and \$50,543,000, respectively, in 1923. The leading export was coffee, of which 853,860 tons were sent out of the country last year. Hides took second place, vegetable oils third, rubber seventh and cotton tenth in shipments abroad.

The Buenos Aires newspaper, La Na-

cion, on May 5 stated that twenty Brazilian officers had attempted on May 2 to create a mutiny in a suburb of Rio de Janeiro, but retired after a brief fusillade. The same paper reported that the Brazilian rebels in the State of Sao Paulo, who had retreated to the interior after the failure of their last outbreak, showed renewed activity early in May and attacked the port of La Guayra on the Parana River. The Italian Government has asked Brazil to pay an indemnity of 80,000,000 lire (about \$3,280,000 at present exchange rate) for losses caused Italian subjects during the Sao Paulo revolution last July and August.

Chile

A COMMISSION of financial experts, headed by Dr. Edwin W. Kemmerer, Professor of Economics and Finance at Princeton University, sailed from the United States for Chile on June 11. This commission, which consists of three experts and a secretary, in addition to Dr. Kemmerer, has been engaged to help put that country on a stronger financial basis. The Chilean Government has been desirous for some time of introducing financial reforms. Dr. Kemmerer's commission will consider the establishment of a central bank of issue, and problems connected with customs revenue. Chile for some years past has received from one-half to two-thirds of the total government expenses from an export tax on nitrate. A recent decrease in the demand for this product has jeopardized government receipts. Dr. Kemmerer served the Republic of Colombia in a similar way during 1923; he returned but recently from a financial mission to the Union of South Africa.

Business confidence was restored by the return to office of President Alessandri last February. This confidence was shaken during May by the number of commercial failures, some involving more than a million pesos. Labor unrest continued, being especially felt in the north. Strikes interfered with commerce during the early part of May,

but were satisfactorily settled during the last week of the month.

The Prince of Wales has definitely accepted the invitation of the Government of Chile to visit that country following his stay in Argentina. It was expected that he would arrive about Aug. 20. After a stay of some days in Santiago, the British heir will make a tour of the country. The Prince will then embark from Valparaiso for England.

Ecuador

THE Government of Ecuador, according to an official announcement on May 28, has purchased the Guayaquil & Quito Railroad, the only railroad line in the republic. Dr. Guerrero Martinez, as Acting President of Ecuador, agreed to purchase 57,069 shares of preferred and common stock of the company; this, added to the 49 per cent. formerly held by the Government, will establish control. The sum of \$100,000 has already been deposited, out of the total of \$600,000 paid for the shares, to be forfeited unless the remaining \$500,000 is paid to a New York bank when the transfer of stock takes place.

Local bondholders of the road, most of whom have received no interest since 1912, are anxiously awaiting the results of government ownership. It was expected that the Government would raise rates to increase the revenues, whereas the American owners were bound by agreement to effect no change without the consent of the Ecuadorean Legislature. Interest on the bonds of this railroad was guaranteed by the Ecuadorean Government in 1898, when English banks agreed to finance the proposition for American promoters, but it defaulted in 1912. The road has never been operated at a profit. The general balance sheet for 1923 showed that \$12,864,078 was due at that time for unpaid interest and sinking fund requirements.

During the recent heavy rains considerable damage was done to the railroad, communication between the capi-

tal and Guayaquil being suspended. The President of the road notified the Government that \$1,000,000 in capital and from three to four months in time would be necessary to repair the damage. Others estimated that \$150,000 and one month would suffice. Dr. Cordova, President of Ecuador, on hearing of the acquisition of the road by the Government, made known his disapproval through the press. The Cabinet at Quito, surprised at receiving this news, immediately resigned, which resignation neither the President nor Vice President Guerrero would accept.

Bolivia

THE centenary celebration of the independence of Bolivia will be officially opened on Aug. 6 in La Paz. The commercial phase of the celebration, it was announced, would consist of an industrial exposition to which foreign manufacturers were invited to send exhibits. These were declared free of duties and taxes, and a 50 per cent. freight reduction was granted by the railroads from the Pacific Coast to Bolivia.

The Peruvian Government announced through its representative at Washington on May 19 that Chilean authorities in Tacna and Arica had expelled fourteen Bolivians from that area for alleged sympathy with the cause of Peru. In informing the Department of State of this development the Peruvian Embassy declared that the incident confirmed "our complaints of the abuses and arbitrary acts committed by Chilean authorities against the inhabitants of our provinces."

Señor Pedro Miguel Olivares y Pundonor, a professor at the University of Bolivia in Sucre, has attracted the attention of the scientific world by his theory that plants have souls analagous to the human soul. As a result of fifteen years of research this thesis was promulgated in his book, "De Natura Leguminis" (On the Nature of Plants). Simultaneously with the publication of the volume in Spanish, a French edition appeared, containing an introduction by Sarpontrain, the noted Sorbonne au-

thority. Señor Olivares has been invited to lecture at Salamanca, Spain, and at Toulouse and Grenoble, France.

Bolivia is the only South American republic without a seaport. Much of its trade with Europe is carried on through the River Plate region. Puerto Suarez, on the upper Paraguay River, was declared a free port on May 10. The establishment of such a port was expected to promote this overland traffic. Puerto Suarez is the only Bolivian gateway to the River Plate system.

Peru

PRESIDENT LEGUIA announced on June 3 that Peru would take part in the Tacna-Arica plebiscite; he spoke highly of General John J. Pershing as head of the plebiscite commission, saying he was "the right man in the right place." Dissatisfaction in Peru with the award of President Coolidge has subsided. The Peruvian Minister to Ecuador was quoted as saying on May 19 that Peru would ask the United States Government to settle the boundary dispute between these two countries. Peru and Ecuador agreed last

June, long before the Tacna-Arica award, to appeal to Washington should their joint arbitral commission fail to settle their differences.

Uruguay

THE following were recently elected by popular vote to membership in the National Council of Administration: Dr. Luis de Herrera and Dr. Martin C. Martinez, both members of the Nationalist Party, and Dr. Gabriel Terra, member of the "Colorado" Party. Under the Constitution Dr. de Herrera assumes the Presidency of the National Council for two years. Dr. G. Guiterrez has been elected President of the Chamber of Deputies of Uruguay.

Colombia

AN earthquake of serious proportions was felt in Colombia on June 8. Extensive damage was done to public buildings, homes and churches, both in Bogota, the capital, and in the neighboring cities of Ibague and Tolima. The loss of life was declared to have been considerable.

The British Empire

By RALSTON HAYDEN

Associate Professor of Political Science, University of Michigan

THE first important change in the budget proposals forced by the House of Commons and public opinion on the Government was a reduction, announced on May 20, in the customs duty on silk from 33 1-3 per cent. to 2 per cent. for made-up articles, while the duty on raw silk was reduced from 4 to 3 shillings to the pound. On artificial silk tissue the rate was left at 3s. 6d. (about 85 cents) per pound.

Debate also took place in the Commons on the Government's proposals to provide pensions on a contributory basis

for all manual workers upon attaining the age of 65 and for widows and orphans. The scheme was opposed chiefly on the grounds that it was undesirable to place an additional burden of £10,000,000 upon industry at the present time, but the bill received its second reading, thus obtaining approval in principle.

The Commons gave evidence of its unwillingness to sponsor any legislative panacea for British industrial unrest by refusing to pass a private member's bill designed to make industrial employes

shareholders in the corporations which employed them.

On May 28 the House by a vote of 307 to 27 rejected a Liberal motion for a vote of censure of the Speaker, John Henry Whitley. The motion, which was supported by Lloyd George, Sir John Simon and other Liberal leaders, expressed resentment at the action of the Speaker in granting the Government the closure during the first day's debate of the second reading of the finance bill. The closure at that point was declared to constitute a denial of the recognized rights of minorities in the House, but both the Conservative and the Labor Parties upheld the propriety of the Speaker's ruling.

In the House of Lords a bill to permit peeresses in their own right to sit and vote in that chamber was defeated by the close vote of 80 to 78. Speaking for the Government, Lord Birkenhead opposed the passage of the bill on the grounds that the admission of women to the chamber should not be dealt with separately, but rather made a part of a general scheme for the reconstitution of the House of Lords. He further declared that the present Government could hardly fail to deal with the question of Lords reform during the life of the present Parliament.

An important step in the development of the Constitution of the British Empire was taken on June 11, when Premier Baldwin announced in the House of Commons that the portfolio of the Secretary of State for Colonies would hereafter embrace that of the Secretary of State for Dominions, a new office. The Premier explained that Lieut. Col. Amory, now Secretary of State for the Colonies, would hold the dual office, but with a separate Under Secretary for each of the two divisions. The step was taken, it was said, to facilitate the handling of the affairs of such great Dominions as Canada and Australia.

After a month of somewhat excited discussion in the press, and even in Parliament, the Government refused to admit foreign Communists to the country for the purpose of attending the confer-

ence of the British Communist Party held in Glasgow on May 29. Sir William Joynson-Hicks, Home Secretary, on May 15 expressed the anxiety of the Government regarding the effect of Communist propaganda in England, and especially in the Labor party, when he declared: "The time is rapidly coming when the Government will be entitled to say, 'We intend to be masters in our own house. Your men may come here for purposes of business, but we are tired of the influx to this country of men whose object is to embitter class hatred and destroy the Constitution.'" Later the permits of many Communists to live in Great Britain were canceled, and at the request of Soviet diplomatic officials police were detailed to guard the Russian embassy from possible mob violence.

Perhaps the most important event of the month in British industrial life was the refusal of the eight largest unions to form one great alliance for mutual support in the event of industrial disputes. On June 4 representatives of the miners, railroad employes, transport workers, the engineering trades and the ship-builders' unions met to discuss the proposal, but practically shelved it by referring it to a committee. This action was interpreted by J. H. Thomas and the conservatives of the Labor party as a defeat for A. J. Cook, Secretary of the Miners' Federation, and other extremists. The chief danger in the proposed alliance was declared to be the probability of its disturbing the atmosphere of peace and confidence which was laboriously being built up in the field of industrial relations.

The Government issued several encouraging statements during the month with reference to the progress of house-building. Official figures of the Ministry of Health showed that in England and Wales during the three months ending March 1, 1925, there were completed 21,758 houses suitable for the working classes, as compared with 16,042 houses for the same period a year previously. At the beginning of March there were 54,586 houses under con-

struction in connection with State assisted schemes, which was double last year's figure. It was hoped that 120,000 houses would be built during 1925.

Warfare between tenants and property owners was reopened in Glasgow on May 14, when two evictions were carried out. The action occasioned much surprise, as the inquiry into the housing situation by the Rent Commission was practically completed and the commission was ready to suggest a solution of the controversy between the owners and tenants.

Ireland

GR^{EAT} anxiety was expressed in Ireland during the latter part of the month over the railway situation. A decrease in passenger and freight receipts caused the roads to propose an immediate reduction of five shillings (about \$1.25) per week for all ordinary employees. The employees, declaring that in view of the cost of living any wage reduction would be resisted, prepared for a strike. The dispute, however, was to be referred to the Irish Railway Wages Board, a body consisting of representatives of the employees, the railways and the public.

On May 8 a conference was held between the Free State Minister for Finance and the Irish Bank with a view to arranging a substantial loan to the Government. The proceeds, it was understood, were to be used in financing internal improvements such as the Shannon River scheme and the project for the drainage of the River Barrow.

Patrick MacGillican, Free State Minister of Commerce, stated in an interview on June 9 that the reports of a famine menace in Ireland were grossly exaggerated; he said that crop prospects were very favorable.

New Zealand

THE Canadian Parliament during the month slowly worked through a large amount of business, none of which seemed to be of outstanding importance, but all of which occasioned a great deal

of debate. The time consumed by discussion appeared to be so out of proportion to the results that on May 24 a serious movement was launched to modify the rules of the House of Commons for the purpose of checking the flood of speech.

Among the important decisions reached by the Legislature were those to complete the Hudson Bay Railway line and to provide for a Canadian diplomatic representative at Washington. The Government also presented a resolution in the House of Commons providing for the payment of \$5,450,000 to depositors of the Home Bank of Canada, which failed for \$18,000,000 in 1922. The resignation of E. J. McMur-ray as Solicitor General was announced on May 22.

Eight thousand Methodist, Congregational and Presbyterian churches of the Dominion on June 10 abandoned their denominational organization and formally entered the Church Union of Canada. Sunday, June 7, was called "Union Sunday," or "Valedictory Sunday," and services celebrating the termination of the old denominational order were held in almost every Canadian city and hamlet. A minority of congregations in each of the three denominations concerned remained out of the union, the schism being the sharpest and most important in the Presbyterian Church.

The inauguration of the legal sale of 4.4 spirit proof beer in Ontario on May 21 resulted in disappointment for both buyers and vendors of the beverage. The former were disappointed in the potency of the drink and the latter in the volume of sales. Some 1,200 permits to sell beer had been issued by the opening day and it was estimated that 400 more would be granted.

Economic conditions generally improved during the month. In April, 1925, Canada's trade was \$10,000,000 greater than in April, 1924, the increase being chiefly in exports. In Saskatchewan, however, the cold weather had retarded the development of the wheat crop, and germination was said not

to be up to the usual standard for the season.

Disturbances in the Cape Breton coal strike region assumed alarming proportions on June 11, when a riot occurred in which one man was killed and several hurt; the scene of the disturbance was at New Waterford, N. S. The police proved inadequate to bring order, and 500 troops were hurried to the scene from Halifax.

Australia

SIR JOHN LAWRENCE BAIRD on May 19 was appointed Governor General of Australia in succession to Lord Forster, whose term of office expires in October. Sir John Baird has sat in the House of Commons since 1910 and has held numerous Ministerial offices, including that of Parliamentary Private Secretary to Bonar Law from 1911 to 1916. Previously he had served for nearly ten years in the Diplomatic Service, and during the World War served with the British forces in France.

The Labor Party resumed power in New South Wales as the result of the general election of May 30. Labor won 46 seats in the Legislative Assembly, the Nationalists 35 and the Progressives 9. As the defeated Government, headed by Sir George Fuller, represented a Nationalist-Progressive coalition, Labor's margin of victory was very slight. The five Communist candidates polled only 810 votes out of an electorate of 877,000.

It was announced on May 4 that a serious attempt was being made to bring about the amendment of the Federal Arbitration act, and that a bill was being drafted that would invest the Arbitration Court with definite power to enforce awards and compel unions to respect awards; to deal with individuals as well as with groups of employers or employees; to subject union funds to supervision; to penalize employers who seek to discriminate between union and non-union men; to invest trade unions with rights, status, and liabilities of cor-

porations; and to make unionism compulsory so far as possible.

The Commonwealth Shipping Board announced on May 22 that it had disposed of its fleet of eleven ships of the Austral type (vessels of about 4,500 tons gross), for \$1,234,325. Seven of the ships went to Japan.

Canada

WILLIAM FERGUSON MASSEY, Prime Minister of New Zealand since 1912, died on May 10, after a long political career. Entering Parliament in 1894, he had been a member continuously since that year and had held almost every office in the Government. During the World War he represented New Zealand on the Imperial War Cabinet and at subsequent Imperial conferences at London, and was recognized as an Imperial statesman of first importance. From May 15 until May 27 Sir Francis Bell, Attorney General, acted as Prime Minister pending a meeting of the New Zealand Reform (Government) Party for the election of a permanent leader. J. G. Coates, Minister of Railways, was selected as Mr. Massey's successor as party leader and thus became Prime Minister.

The report of Major Gen. Richardson, Administrator of Samoa, mandated to New Zealand, published at Wellington on May 20, showed increased prosperity and improved production, as well as substantial progress in health administration. The natural increase of the population for the past year was the greatest yet recorded.

South Africa

GENERAL HERTZOG, Prime Minister of the Union of South Africa, made a significant contribution to the discussion of the question of possible South African secession from the British Empire in the course of a budget speech delivered on April 28, when he said:

Though I hold it in common with a great many distinguished English statesmen that any Dominion has the right to secede from what is known as the British Commonwealth, such a decision, so far as the Union is con-

cerned, would be a flagrant mistake and a national disaster, should it be brought about under circumstances causing either the English or the Dutch section of the community as a whole to feel that the change had been brought about by the imposition of the will of one section upon the will of the other. I hold, further, that only the very gravest national consideration could justify such a step being taken without the concurrence as a whole of the two great sections of our people. Nor have I the least fear that any such consideration will ever arise as long as each of the two sections abstains from any claims of superiority or dominance over the other.

The enthusiastic reception accorded to the Prince of Wales by Boer, Briton and native upon his landing at Cape Town was repeated as the royal visitor continued his journey into the interior through the Orange Free State, Natal and Rhodesia. On May 18 it was announced that the Prince's tour would be extended one week and that he would leave Cape Town for South America on July 29.

The preliminary draft of a new Constitution for Southwest Africa, the former German colony for which the Union of South Africa holds the mandate, was published in Cape Town. The instrument provides that the territory shall be governed by a Council and a Legislative Assembly. The former, a body of eight members, one of whom shall be the Administrator, is to be composed of three nominated members and four members chosen by the Assembly. The Assembly is to consist of eighteen members, six to be nominated by the Union Government and the rest to be elected by the registered voters of the territory. Estimates of expenditures are to be submitted to the Assembly, which has complete powers of discussion. Certain matters of great public importance, however, have been reserved from the legislative competence of the Assembly, including native affairs, railways, mines, posts and telegraphs, justice, immigration, defense, the currency and customs. The Union Government also reserves to itself for three years the subjects of settlement, education, police, land banks and the militia. The Con-

stitution recognizes German as a language of the Assembly and of the courts. It is to remain in force for three years, after which the Government may introduce alterations at the request of at least two-thirds of the Assembly.

South Africa returned to the gold standard on May 18. Minister of Finance N. C. Havenga announced that specie payments would at once be resumed and declared that henceforth gold coin and reserve bank notes would be legal tender. Gold was immediately available for local circulation and for export, and it was expected that as one of the principal gold-producing countries South Africa would soon resume its leading position in that field.

India

C. R. DAS, Swaraj (Home Rule) leader, continued during recent weeks to gain in strength at the expense of Mahatma Gandhi. Provincial conferences of members of the National Congress in several instances adopted resolutions tacitly or expressly accepting his policy of compromise with the British Government, which is based on the establishment of Indian autonomy within the empire. At the conference of the Maharashtra (the plateau of the Deccan behind Bombay) the unpopularity of Gandhi among the Deccan politicians was unmistakably indicated, and support was given to Das's leadership. These circumstances and the general trend of events seemed to indicate that the extremist policy of obstruction in the provincial councils and the central Legislature had definitely failed to disrupt those bodies or to make the existing system of government unworkable.

Announcement was made in Calcutta that the Government of Bengal had restored a number of items cut from the budget during the debate in Council during March, including £133,000 for land revenue settlement, £2,800 for the Government Solicitor and practically the whole of the police budget.

Much comment was caused by Lord

Birkenhead's speech at Glasgow University expressing decided approval of the recommendation of the Lee Commission that half of the recruits for the Indian Civil Service should be British, and declaring that if the statutory responsibilities of the Secretary of State for India and of Parliament were to be discharged that proportion must be maintained. Justification for British recruits, he declared, was not that they possessed innate superiority over Indian recruits, but that they contributed something distinctive to the work of governing India.

Serious unrest in Afghanistan, suggesting the possibility of a general uprising against the Amir, caused a concentration of forces of the Indian Army on the northwest frontier early in June. Dispatches from India attributed the threatened rebellion to the activities of Russian Soviet agents. The execution on May 25 of more than 50 Khost rebels against the Amir, including the famous "Lame Mullah," was reported to have been followed by an extension of unrest among the border tribes, including some of those on the Indian side of the line.

France and Belgium

By WILLIAM STEARNS DAVIS

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FOR France the great outstanding public event, omitting the questions of the funding of the inter-allied debts and of "security" with respect to Germany, has been the outbreak of a really serious war in Morocco. The new Painlevé Ministry had barely got well settled in the saddle when there came a steady succession of communiqués from North Africa, continuing all through the month of May, which at any time prior to 1914 would have provided the newspapers with huge headlines and put every war correspondent in motion. The hostilities were the more unwelcome because they meant a new drain upon the budget, and furthermore because they provided all the critics of the Painlevé Cabinet with abundant ammunition for Parliamentary attacks.

Early in May it was reported that Abd-el-Krim was taking advantage of the unwillingness of the Spanish Government to permit French troops to invade its own zone, and was posting his tribesmen directly inside of the Spanish line, whence they made constant raids

into the French sphere of influence, with Marshal Lyautey unable (until Madrid permitted otherwise) to hunt them out in their lairs or even to send his bombing planes the thirty minutes' flight between the French aerodromes and the Moorish rallying places. For some time the contest was apparently centred around the numerous small French outposts, which the tribesmen strove desperately to isolate and destroy. These garrisons were in many cases hard pressed, but for the most part they held out stoutly and were saved from starvation either by relief columns or by supplies dropped from aircraft.

On the other hand, Abd-el-Krim and his Berbers were reported to have displayed a surprising command of the technique of modern warfare. They had an abundance of high-powered rifles and it was alleged that they possessed a considerable supply of machine guns and artillery, and there were even reports that they possessed several aircraft. French attacks upon their main positions brought up against skillfully constructed trench systems. The

Moors, in fact, showed so many signs of military training that it was rumored that German officers must have been advising their leaders.

Fought, as this campaign was, in a very unfamiliar country, such announcements as that of May 14, that the French troops under General Colombat had "stormed the heights of Bibane, one village being taken at the point of the bayonet," meant comparatively little to non-African readers: much more significant was the statement of May 25 that the French field army in Morocco, 50,000 strong, was being carefully reorganized by General Daugan with a view to sustained and systematic warfare, and that the French were evacuating certain exposed posts with a view to shortening their lines of defense around Fez. The serious character of the fighting is shown by the statement in a communiqué of May 24, that "the Yebala tribesmen admit that they lost more than 700 dead along the Ouergha." No details of French losses have yet been published, but it was feared in Paris that they had been very heavy, although it should be remembered that two-thirds of the forces employed against Abd-el-Krim are North Africans in the service of the republic.

The fighting continued into June and so serious a situation developed that on June 6 Premier Painlevé left Paris by airplane for Fez, where he held numerous conferences with Marshal Lyautey. Observers interpreted the trip as indicating a change of policy on the part of the Government. The Premier arrived at Fez simultaneously with the opening of a new offensive by the Riffians; on June 10 the French officials reported that Abd-el-Krim was attacking along a 60-mile front. It was announced at Paris on June 11 that France had opened negotiations with Spain in an effort to secure full Spanish cooperation in the Moroccan campaign.

The outbreak of this war at once put the Painlevé ministry in a difficult situation with the Socialist Deputies, composing, nominally at least, a large part of its "majority." To them and to their

still more radical Communist colleagues a bloody and expensive colonial war was absolutely unwelcome. The Communists asserted that the French soldiers ought at once to make a truce with their Moorish "comrades" and evacuate Morocco, wrongfully occupied at capitalistic dictation. The Premier, however, silenced the less rabid of his critics by a tactful speech at Grenoble on May 23, in which he declared that the war was in no sense one of colonial expansion and that Marshal Lyautey (the special object of Radical attacks) was in full accord with the Government in conducting only a defensive campaign. When, however, the set debate on the Morocco situation took place in the Deputies on May 28, the Socialists (angered because Foreign Minister Briand hinted at joint military action with Spain) refrained from voting with the Government, leaving it dependent for its majority upon the Centre and Right parties, which usually constituted the Opposition. These conservative elements clearly did not wish to force a new Cabinet and left M. Painlevé and his colleagues in power, although with extremely uncertain prospects before them, and another division on the Morocco question on June 6 showed them still supporting the Government.

Amid the Morocco excitement the press found room on May 26 for an item of profound importance to those interested in maintaining peace between the French Government and the Clericals. An agreement had been reached between the Ministry and the Opposition in the Senate whereby the much-discussed "Embassy at the Vatican" was to be maintained. Thus was laid to rest for a while the issue which, a few months ago, was dividing France and which went very far to hasten the downfall of the late Herriot Ministry.

M. Caillaux, the much-discussed Finance Minister of the new Cabinet, on May 12 began to unfold his program, which his admirers asserted would mean the financial rehabilitation of France. He informed the Finance Commission of the Deputies that he in-

tended to set aside from the normal budget the payments by Germany under the Dawes plan, and devote such funds to completing the war reconstruction work and to discharging the debt to Britain and the United States. Though he considered the adjustment of the interallied debt a matter of extreme importance, the most pressing thing, he declared, was to balance the national budget. In his opinion the budget recently presented by his predecessor, M. Clémentel, did not accomplish this end. There would still be a deficit of 3,000,000,000 francs, and the only remedy was to raise three or four billions more by new taxes. As an emergency measure, immediately after M. Caillaux left the commission he issued a ministerial decree raising the indirect tax upon tobacco 33 per cent.

The Cabinet Council on May 22 approved his scheme for the raising of the first 1,500,000,000 francs needful for balancing the budget. Some 450,000,000 of this sum was to be squeezed out of the tobacco sales, the taxation of apprenticeship, a higher registration tax upon capital subscriptions to corporations, and increased letter postage rates and telegraph rates. These last two items, it was reckoned, could bring in an extra 150,000,000 francs. The Finance Minister explained to his colleagues that the alleged "surplus" of the Clémentel budget was based upon an overestimate of income of at least 1,150,000,000 francs and upon a very serious underestimate of expenditures, making an actual deficit of 3,894,000,000 francs.

Three days later M. Caillaux faced the Chamber to present his new program. His statement that M. Clémentel's project involved a deficit was greeted very coldly by the friends of the old Herriot Ministry. Jean Renaud, Communist, interrupted eagerly to ask: "What, has the budget not been balanced all this past six months?" At which the Minister replied calmly, "No."

Since half of the financial year had already run, M. Caillaux had to be content with raising only 1,600,000,000

francs extra this year. He gave formal notice, however, that next year he expected to collect 3,500,000,000 francs extra and by certain economies to produce an absolute balance. He said that he saw no virtue now in increasing the income tax, because that tax had not yet been established on "a just and extensive basis." He also made it very clear that balancing the budget would be merely the first great work in rehabilitating the public economy of France. The ultimate and all-important problem was to deal with "the crushing internal debt." But with that he could accomplish little until the franc was stabilized, and also until the interallied debts had been adjusted; and to these tasks he would next devote all his energies.

Conferences on the financial program continued into June. Following three days of discussion between M. Caillaux and the Finance Committee of the Chamber of Deputies, it was announced on June 11 that the majority of the committee was ready to endorse the Finance Minister's plan for fiscal reform.

The municipal elections early in May showed that the former "swing to the Left" noted in the French cities was continuing. In Paris the Communists gained one seat in the municipal councils, the Socialist-Republicans one, and the Socialist-Radicals one, the Nationalist candidates losing three; but in the Department of the Seine the radical groups won no less than eleven seats, and in some of the small municipalities elsewhere they did even better. The result evoked gloomy comments in the Nationalist press that the cities of France were falling into very dangerous and unstable hands.

Soon after these elections it was announced that M. Caillaux (who, despite his post in the Cabinet, does not at present hold a seat in Parliament) would become a candidate for the Senate in the Sarthe Department, where loyal friends both in the Chamber and the Senate were offering to resign to make room for him. Since the radical elements

had a large majority in this department, no doubt was entertained of his prompt election. On the other hand, M. Caillaux's inveterate enemy, ex-President Millerand, was elected late in May Chairman of the Foreign Relations Committee of the Senate, a position giving him great power to influence the policy of Foreign Minister Briand in a manner very adverse to any easy understanding with Germany.

On May 22 a delegation of fifteen "Gold Star Mothers" from the United States landed at Cherbourg, whence they proceeded to Paris and were received by Ambassador Herrick and President Doumergue. On Memorial Day they went to the American cemeteries in France to decorate the graves of their soldier dead.

Belgium

THE month under review was one of repeated ministerial crises in Belgium. Following a brief tenure as Premier, M. Aloys Van de Vyvere resigned on May 22; on June 3, King Albert invited Viscount Poulet, who was Minister of the Interior in the Theunis Government, to form a Ministry.

Viscount Poulet's efforts were successful; on June 11 he announced a Coalition Cabinet, including Socialists and Catholics. The tenure of the new Cabinet, however, was brief; Viscount Poulet resigned on June 12, when Parliament voted a lack of confidence in the Ministry. The one-day Government was made up as follows:

VISCOUNT POULET—Premier and Minister of Economic Affairs.

EMILE VANDERVELDE—Foreign Affairs.

COUNT DE LIEDEKERKE—Agriculture.

R. EDOUARD ANSELE—Railways.

SENATOR CARTON—Colonies.

GENERAL KESTON—National Defense.

ALBERT JANSSEN—Finance.

CHARLES WAUTERS—Industry.

M. POULET—Interior.

M. TSCHOFFEN—Justice.

CAMILLE HUYSMANS—Sciences and Art.

The Poulet Government differed notably in political complexion from that of M. Van de Vyvere, who from the first had refused to countenance a coalition.

When, in the middle of May, he was asked by the King to form a Government, M. Van de Vyvere stated to the parliamentary journalists: "I do not intend to form a coalition of parliamentary groups * * * Mine will be an administrative government, from which party politics will be excluded." To fulfill this promise he found it needful to recruit a Cabinet taken exclusively from the Catholic party, which had eighty Deputies in the Chamber. The Liberals and Socialists (together more than 100 strong among a total of 188 Deputies) were thus left out entirely; leading to speedy predictions that the new Cabinet would be overthrown the first day it appeared before Parliament. However, M. Van de Vyvere was not to be daunted. Besides the Premiership he took himself the important Ministry of Finance. His chief colleagues were:

M. RUZETTE—Foreign Affairs (provisional).

M. POULET—Justice.

M. THEODORE—Justice.

M. POULET—Interior.

M. RUZETTE—Agriculture.

GENERAL HOLLEBAUT—Defense.

M. CARTON—Colonies.

M. Van de Vyvere thus terminated a Cabinet crisis that had been protracted no less than thirty-eight days, a period without record in the history of the Belgian Kingdom, surpassing in duration by four days the famous crisis of 1852. The new Premier on May 20 made his formal declaration of policy before the Chamber of Deputies, stating that in general he intended to continue the work of the old Theunis ministry, especially along financial lines, but making no allusion to the question of the interallied debts or of new taxes to pay off the obligations to the United States. In the debate that followed it was speedily evident that Burgomaster Max of Brussels, leader of the Liberals, was determined to swing his group behind the Socialists in order to overthrow the newly formed Cabinet. On May 22 the Chamber registered a direct "no confidence" vote against the Government (98 against the Ministry and only 73 supporting it), Liberals and Socialists voting solidly

together. M. Van de Vyvere at once tendered his resignation, and King Albert on May 23 invited Burgomaster Max, a national hero for his unflinching opposition to the German invaders, to undertake the Premiership. M. Max stated that he would endeavor to form a "temporary business ministry" unaffiliated with any parliamentary political groups. Early in June it was announced that Burgomaster Max had confessed himself baffled in his attempt to form a workable ministry, and then on June 3 King Albert turned the task over to Viscount Poulet.

During this long hiatus in the upper ministries, the life of the country proceeded absolutely untroubled, it being

well understood that political fortunes and not national policies were mainly at stake. The routine business was excellently conducted by the retiring Ministers and the permanent officials. In the main the economic life of the kingdom continued prosperous, although there were again rumors of serious trouble in the coal industry. Owing to the difficulty for Belgian coal to compete in price with foreign coal, there was an accumulation in May of 2,000,000 tons, and the mine owners were threatening to make another 5-per cent. reduction in wages. The miners declared that if this were attempted they would retaliate with a general strike through the entire industry.

Germany and Austria

By HARRY J. CARMAN

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FIELD MARSHAL VON HINDENBURG was sworn in as President of the German Republic on May 12. The ceremony was simple and lasted less than a quarter of an hour. The big Reichstag chamber where the ceremony took place was crowded to the limit with members, Government officials, diplomats, journalists and hundreds of others. The President-elect was dressed in civilian attire, although he carried himself like a soldier. As he entered the chamber, preceded by Reichstag President Loebe, who administered the oath, the Communist members, after shouting "Down with the Monarchists! Long live the Soviet Republic!" rose from their seats and strode out of the chamber. In a brief speech Hindenburg reiterated his determination to dedicate himself to the "non-partisan task of uniting and coordinating the nation's constructive and progressive elements for the common welfare" of the German people. His inaugural utterances were, on the whole,

warmly praised by both the friendly and the opposition press.

Except for the walk-out of the Communists the ceremonies in the Reichstag proceeded smoothly. More than 120 Socialist Deputies appeared on the floor, each wearing a red carnation, the official color of communism. When the President appeared in the Reichstag portal following his inauguration he received a tremendous ovation. Upon reaching the Presidential palace he paid a glowing tribute to his predecessor, the late Herr Ebert, which aroused much favorable comment in ultra-republican circles. In addressing the Foreign Diplomatic Corps on May 14, he made an earnest plea for peace and equality. On May 24 he attended the Hanover race meet dressed in his Marshal's uniform and again was greeted with deafening cheers. Berlin sculptors report a great demand for Hindenburg statues.

Germany's financial worries, especially regarding payments under the Dawes plan, were again aired on May

25 before the Reichstag Budget Committee. This committee listened to a report by a subcommittee appointed after the pessimistic utterances of Herr Schlieben, Finance Minister, referred to last month. The subcommittee reported that there was imminent danger of a disturbance of the balance in Germany's budget, in view of which the greatest care was needed in keeping down expenditures and keeping up receipts. The subcommittee approved a Government proposal to set aside 220,000,000 marks for reparations payments; this was severely criticized in some quarters. The subcommittee further reported that stable financial development was imperative for German economic restoration and for renewal of the German nation's trust in its finances, without which Germany cannot borrow in the loan market.

The Government's tariff proposals were bitterly condemned on May 20 when the Socialists moved for a vote expressing lack of confidence. The particular item which roused the ire of the Left was the proposed high duties on grain. The Communists and Socialists declared that the proposed high duty on foodstuffs was absolute proof that the Government was dominated by the grain-growing junkers, whom they charged with having launched a campaign to grind down the poor for their own selfish interests. The high tariff on automobiles and tractors was also severely criticized. Although the Socialist motion was lost by a vote of 214 to 129, the members of the party continued to wage war on the schedules affecting foodstuffs. They declared that if the Government's proposals became law, it would mean starvation for the German masses, decreased possibility of exportation, increased unemployment and greater tax burdens. They adopted the slogan: "Down with the Government's Rightward tendency! Down with the usurious bread tariff!" The Democratic Party also expressed much apprehension as to the consequences if the proposals were passed. The food duties fell heavily on staple American exports.

The increase in duties on textiles, except of the luxury description, was moderate. There was an increase in duties on pig iron and steel. Duties on miscellaneous metal goods and cutlery were all increased; and duties on dynamos, electro motors and other electrical wares were moved up variously as much as 800 per cent. Duties on typewriters, calculating machines and cash registers were made extremely high. In business circles emphatic objection was made to the exclusion of American typewriters, cash registers and calculating machines.

A flurry was precipitated in financial circles during June by reports, subsequently confirmed, that the vast Stinnes industrial group of industries, which involve hundreds of millions of marks, were at the point of collapse. The Reichsbank came to the aid of the combine, however, and on June 6 it was confidently expected that the Stinnes interests would weather the storm. The debts of the firm were announced on June 11 as totaling 155,000,000 gold marks; it was stated that large bank groups were ready to guarantee the total.

A further serious reduction of staffs on the German railways was foreshadowed on May 12 at a general meeting of the company which took over the working of the railways on the coming into force of the Dawes plan. Speaking before a joint conference of directors and presiding officers from each administrative division in the country, the acting Director General of the German Railways Company, Herr Stieler, said that the financial position of the concern was extremely strained, and that an immediate reduction of personnel had become necessary. The end in view was a reduction by 30,000, and the granting of pensions or half-pay was to be considerably proscribed.

The German Traffic Exposition, sponsored by the Federal Government and by the German States and said to be the first of its kind devoted exclusively to a demonstration of the science of travel and communication, opened at

Munich on May 30; it will continue until Oct. 1.

Savings bank reports published in Germany at the end of May indicated a relatively rapid reaccumulation of capital. Between November, 1924, and March, 1925, deposits in Prussian savings banks increased by 461,000,000 marks. Minister of Industry Neuhaus stated that the nation's annual income from invested capital, after the valorization bills are put through, would be 30,000,000,000—one-fourth to one-fifth of the pre-war average. Returns of the Reichsbank under date of May 23 showed that the process of recalling the bank's gold balances previously held abroad had been practically completed. Foreign central banks held only 65,000,000 marks of the Reichsbank's gold reserve out of a total gold reserve of 1,015,000,000. It was also officially stated that no further shipments from America were expected.

The German-Spanish commercial treaty, regarded by the parties of the Right as dangerous to the interests of German wine-growers, passed the Reichstag on May 27. The German wine producers will get concessions to console them for the probable invasion of Germany by Spanish wines.

The long-expected Allied Military Control reached Berlin on June 4. It demanded (1) that the Schützpolizei (security police) be decreased from 180,000 to 150,000 as allowed by the Allies in 1920; (2) that the national military organization of the police must be abolished and its collective military training ended; (3) that the German General Staff be abolished and the commander of the German Army be shorn of his powers; (4) that the nation-wide portable wireless system of the police force be dismantled and only a small number of permanent wireless stations be retained; (5) that secret training and gas experiments cease; and (6) that the machinery of a number of factories used for war purposes be destroyed. The note flatly denied the German charge that failure to evacuate Cologne in January last was either a violation of the

Versailles Treaty or a reprisal. Evacuation of Cologne, the note declared, depended entirely on Germany's willingness and ability to comply with the conditions laid down in the note. The German Foreign Office angrily resented the tenor of the note, although less than two weeks before its arrival Minister of Defense Gessler publicly admitted that the present German Army might be considered a skeleton for a larger force, but insisted that the Entente was responsible for such a situation. The demand that Germany disarm in the interests of peace was ridiculous, he said, when in Europe today there were half a million more men under arms than in 1914. Herr von Eckardt, chief German delegate to the Arms Traffic Conference, announced on May 25 that his Government was ready to adhere without reservation to any international agreement providing for elimination of chemical warfare.

The German Minister at The Hague on May 16 lodged with the Permanent Court of International Justice a request on behalf of the German Government for proceedings against the Polish Government in a matter concerning German interests in Polish Upper Silesia. The German authorities now require passports from all who pass through the Polish corridor.

General Erich Ludendorff, former Quartermaster General, retained his seat in the Reichstag as an independent non-party member. This was due to the split of the Fascisti Party into two groups—the German Fascisti Liberty party and the National German Social Party.

By a narrow vote the City Council of Frankfort-on-Main decided to abolish all monarchistic street names; one of the thoroughfares will be renamed in honor of the late President Ebert.

Austria

ALTHOUGH Austria has fulfilled but seven out of the nine conditions laid down by the League of Nations, her leaders are of the opinion that League control will continue, inasmuch as the

country has not yet been able to adhere strictly to budget figures. In view of this fact, the Austrian people during the past month witnessed with great satisfaction the race between Italy and Czechoslovakia for the privilege of exploiting Austria economically. Italy realizes that she needs Austria as a market for exports and that she will lose this market unless Austria is allowed to retain purchasing power by finding an outlet for its industry. She realizes also the political as well as the economic advantages of an Austro-Italian rapprochement. Some Austrian statesmen believe that an outlet to the south would go a long way toward solving one of Austria's most difficult problems. Czechoslovakia, on the other hand, apparently desires to tie Austria to her apron strings by a series of preferential tariffs.

Both Italy and Czechoslovakia are for obvious reasons opposed to Austrian union with Germany. Nevertheless, the movement for union is growing steadily and the work for it is being carried on in Austria in a quiet, unostentatious way. In various spheres of activity it is apparent that measures are being promulgated which will make union easy of accomplishment. A judicial system, for instance, is being worked out parallel with that in Germany and new laws are being made to harmonize with those of the Reich. Furthermore, education is being made to conform to common standards so that students can continue their studies in either country with mutual recognition of degrees. On June 4 a "German People's League," with a membership of 1,000,000, was launched with the purpose of furthering the project. The new league, among other things, will demand that the Austrian Government ask the League of Nations to recognize the German-Austrian economic union as an accomplished fact. If this is refused, the supporters of the movement threaten to conduct a private plebiscite and submit the result directly to the League of Nations.

Meanwhile, the Little Entente at a meeting in Bucharest issued a sort of

ultimatum to the Austrian Government demanding (1) continued stringent economies; (2) the cleaning up of Vienna as a centre of Bolshevik propaganda for the Balkans, and (3) an end to all agitation for union with Germany. Just what the outcome will be is problematical.

A violent storm broke in the Austrian Parliament on May 27 when the Social Democrats bitterly assailed Foreign Minister Mataja for his recent attack on the Third International. So violent was the attack that Chancellor Ramek felt called upon to defend M. Mataja. Both Ministers denied the allegation that M. Mataja's speech, which was interpreted as anti-Soviet, would result in 40,000 workmen being thrown out of employment on account of the cancellation of Russian orders.

As the result of a clash between a Hakenkreuzler military unit and a group of Social Democrats at Mödling on May 20, it is likely that the Government will order dissolution of all semi-military organizations of a political character. The Hakenkreuzler adherents, organized on the Bavarian model of Adolph Hitler, marched to a celebration at Mödling wearing steel helmets and semi-military uniforms. Most of them were armed with revolvers and clubs, although weapons are prohibited by law. Vienna University with its numerous branches, also the Technical University and the Commerce Academy, were closed from May 28 to June 2 by order of the authorities, owing to the rebellious behavior of the German Nationalist Hakenkreuzler students. For many days bloody incidents occurred as the Hakenkreuzlers surrounded the university buildings and refused admittance to Socialist Jewish students, beating them and even mishandling passersby. In several instances Jews and Socialists were ejected from lecture halls by the Hakenkreuzlers. The attacks provoked organized resistance on the part of the Social Democratic and Jewish undergraduates, and there were several pitched battles, with many injured. As it was feared

that these excesses might provoke a serious disturbance by the Social Democratic workers intervening to help their undergraduate sympathizers, the authorities decided to close the universities for five days.

The Austrian money market is in a better condition than has existed for some time past. Nevertheless, the private discount rate remains at 10 per cent. and long-term loans are obtainable only at considerably higher rates, which shows that the economic situation is still regarded distrustfully. The position of the Austrian National Bank is favorable. The backing for the note circulation still amounts to more than 53 per cent.

A proposal that the United States should help solve the unemployment problem in Austria by enacting a special emergency law which would admit

50,000 Austrian skilled workers was made by the Vienna Chamber of Labor on May 27. The Government during the present year will probably spend \$14,000,000 for doles for Austria's unemployed.

Several important changes have been made in the Austrian diplomatic service during the past month. The most significant appointment is that of the Grossdeutsche leader, Dr. Frank, as Minister to Germany. Dr. Frank is one of the most prominent exponents of the union of Austria and Germany. Former Foreign Minister Grünberger has been appointed to Paris.

According to a census completed Jan. 1, 1925, women are decidedly in the majority in Vienna. The figures are 1,006,290 women and 862,038 men.

Italy

By LILY ROSS TAYLOR

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DURING the month under review both Senate and Chamber were in session. On May 7 the Senate, on reconvening, began discussion of the internal policy of the nation. Again, as on a number of previous occasions, the chief speech of the Opposition was made by Senator Albertini, Editor of the *Corriere della Sera* and the foremost newspaper man of Italy. He showed how the Fascist system had been unable to continue under the Constitution, and how it had therefore violated constitutional traditions in order to entrench itself. He discussed in some detail the restrictions on the press and the limitation of the right of association. One incident he told is of some interest in connection with his declaration that Fascism had lost "millions of adherents." "Among the many things about which the press must be

silent is the incident of Reggio Calabria, of which many are ignorant. For a day and night at Reggio there was widespread belief in a rumor that the Ministry had resigned. The news caused extraordinary manifestations of joy." Here Mussolini interrupted: "It is not true. I rise to deny the report." "My declaration is well founded," replied Albertini. "I have had the report investigated." "So have I," answered Mussolini. "It was a matter of 200 persons in a subversive organization." "You have forgotten some zeros," replied Albertini. "The demonstration was imposing. * * * The case of Reggio reveals the state of mind of almost the entire country, and elections carried out in full liberty would show it." There were continued interruptions throughout the speech, most often by Mussolini and at times by other mem-

bers of the Senate. When Mussolini denied Albertini's statement that all the chief Parliamentarians were against Fascism, Albertini asked him to cite among the supporters of his party the name of one man whose opinion had weight because of previous responsibility in the Government. A confusion resulted which caused Tittoni, President of the Senate, to remind the gathering of the full liberty of utterances always allowed to members of the Senate. In closing, Albertini referred to the struggle of the Opposition against Fascism as a Holy War. Finally, in the event of defeat, Albertini said, which must also be recognized as a possibility, the Opposition would have the consolation of having done to the best of its powers the duty which it had sworn to perform, and the certainty of having defended immortal principles.

Mussolini's Cabinet has again been reorganized. Besides the appointment of a number of new Under-Secretaries, there was a complete reshaping of the Ministry of War. Henceforth it will have one chief, with the three divisions of Army, Navy and Air under him. In anticipation of the change, Admiral Thaon de Revel, Minister of Naval Affairs, resigned. The new chief of staff who will supplant the Ministers of War and Navy is General Badoglio. On May 18 the reforms were discussed in the Senate. Admiral de Revel protested against the subordination of Navy to Army. Mussolini replied defending his reform and taking issue with the Admiral's statement that future wars would be decided on the sea. The Premier believed that a foreign attack on Italy would come over the Alps in the future as it had in the past. The Senate approved the reform by a vote of 160 to 28.

The Chamber reopened on May 14. One of the first measures discussed was a government bill granting to certain limited classes of women over twenty-five years old the right to vote in municipal elections. The discussion of the bill in the Chamber was accompanied by much confusion, especially from the

Communists, who were scornful of the limited character of the reform. It was generally understood that most of the Fascist delegates opposed the measure and voted for it only because of the party discipline to which Mussolini appealed. After it was passed, Mussolini presented a second bill providing that for future wars all adult citizens, women as well as men, should be liable to mobilization for some form of war service. Hundreds of the leading women of Italy filled the gallery when the two bills were brought up. Many Italian leaders in the Suffrage movement attributed great importance in securing Mussolini's support to the visit which Mrs. Carrie Chapman Catt, President of the International Woman Suffrage Association, paid him when the Association met in Rome two years ago.

The Government brought to the Chamber on May 16 a bill against secret societies, frankly aimed at the Freemasons. It proposed that all societies and associations should on request give to the police a full list of their members and that no man on the payroll of State, province or municipality should belong to any secret society or any other society that required its members to take an oath. For the first time in the history of the Mussolini Government a government measure was checked. A number of deputies withdrew from the Chamber, and since those remaining did not constitute a quorum, the vote had to be postponed. On May 19 the bill came up again and was passed, though only by a technicality. Since a quorum is two-thirds of the total number of deputies less those who have secured leave of absence, the Government obtained a quorum by having all its absent supporters secure leaves. The vote was 304 to 0 in favor of the bill. The Opposition forces in the Chamber abstained from voting.

The lira fell slowly but steadily during May. Foreign Minister de Stefani attributed the fall to the heavy purchases in foreign grain made necessary by last year's poor harvest. De Stefani on June 2 announced to the Chamber

that a credit of \$50,000,000 had been granted to a consortium of Italian banks by the J. P. Morgan Company. The avowed purpose of the loan was the stabilizing of the lira. In the Chamber, where Italy's independence of foreign credit had been a matter of pride, the announcement was not received with enthusiasm. In Washington the loan was thought to be a hopeful sign of a move on Italy's part to refund the debt.

The Italian war debt was the subject of much discussion during the past month. On May 18, almost at the time when the American Government made its move to secure some action on debts, Tittoni, President of the Italian Senate, made a speech at Viterbo urging complete cancellation of the debt.

The censorship of the press, against which Senator Albertini inveighed, continued to be exercised. The *Corriere della Sera* was sequestered twice in the first half of May, once for the publication of comments on Fascist replies to Senator Albertini's speech. *Il Mondo*, chief Opposition paper of Rome, which has been sequestered many times, received its first formal warning. The *Mattino* of Naples printed an editorial urging the Fascist Government, in its efforts to help Southern Italy, to cease its suppression of the opinion of the South as expressed in the newspapers.

Two great celebrations in Italy occurred during the month under review. Both of them were of national rather than of party character, but in both the Black Shirts took a leading part and their marching song, *Giovanezza*, was constantly to be heard in the festal processions. The first celebration was the tenth anniversary of Italy's entrance into the World War. It was a commemoration of the Italian war dead. In almost the whole of Italy the day passed without any demonstrations of violence, but in some sections of the northeast, and particularly at Rovigo, Padua and Brescia, there were incidents which led to several casualties, the wrecking of shops, and, in Padua, the burning of a theatre. In Leghorn a group of Fascists attacked the Ameri-

can Vice Consul, Franklin C. Gowen. He was severely bruised and it was expected that he would not recover for ten days. As there seemed to be no motive for the attack, it was assumed to be a mistake. By way of an apology Fascists made a demonstration before his house.

The other celebration commemorated King Victor Emmanuel's completion of twenty-five years as sovereign. It took place on June 7, which, as the first Sunday in June, is the date on which the celebration of the festival of the Italian Constitution fell. On the preceding day the King and his reign were eulogized in the Chamber. Mussolini in his address scored the Aventine Opposition, who even for this occasion refused to abandon their boycott of the Chamber. It is noteworthy, however, that representatives of the Opposition took greetings to the King on the next day. The sovereign received a great popular ovation. Eight thousand Mayors came to Rome from towns in every section of Italy to join in the procession. A dozen or more representatives in strange Eastern attire came from Italy's African colonies. A procession of more than 100,000 people filed past the Quirinal Palace to salute the King and the royal family.

Perhaps the most discussed event of the past month was the visit of Mussolini to Gabriele d'Annunzio at his villa at Gardone from May 25 to 27. The hero of Fiume and the Fascist leader, though formerly in sympathy with each other, had lately seemed to be estranged. Mussolini's visit to d'Annunzio was prepared for with the utmost secrecy; the reason given for it was the Premier's desire for a rest. The visit gave rise to rumors of every sort both in Italy and in foreign countries, but no satisfactory explanation of its purpose or its results was announced.

Outstanding among developments within the Fascist organization was the expulsion from the party of Fascist Deputy Michele Terzaghi. Deputy Farinacci, Secretary General of the party, said on June 11 that Terzaghi had been

ousted because his politics were not in accord with those of the party.

During the past month two Americans who have been well known for years in Rome have died. One of them, Monsignor O'Hern, director of the American College in Rome (for priests of the Catholic Church), died in Rochester, Minnesota, on May 13. The other, Professor C. Densmore Curtis of the American Academy in Rome, widely known as an archaeologist, died in Rome on June 8.

The Vatican

THE canonization of the French nun, St. Therese, was celebrated with great magnificence at St. Peter's on

May 17. France alone sent 15,000 pilgrims for the occasion. The elaborate ceremony lasted from 8 A. M. until 2 P. M. By an innovation that was startling because of its association with the historic pageantry of the Vatican, a "loud speaker" was used which enabled the Pope's voice to be heard in every corner of the vast basilica. That night, by an old custom which has fallen into disuse since the loss of the Pope's temporal power, the dome, portico and obelisk of St. Peter's were illuminated. The sight was witnessed by over a million people in Rome and its vicinity. The revival of the illumination of the basilica was regarded as another indication that Church and State are no longer so divergent as they formerly were.

Eastern Europe and the Balkans

By FREDERIC A. OGG

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Hungary

JEREMIAH SMITH, Commissioner-General of the League of Nations for Hungary, returned to Budapest on May 18 fully restored to health after a five weeks' vacation in the United States. His monthly reports continued to show steady improvement in the country's financial condition, and the prospect of excellent crops this year made the economic outlook highly favorable. A much-needed system of agricultural credit was recently established by the Government; and a visit by the banker and industrial leader, Baron Jules de Madarassy-Beck, to New York was expected to bring about an extension of the private credits which it has been found impossible to obtain in European countries. Reviewing the

rehabilitation of Hungarian public finances in the year covered by Mr. Smith's management, Sir William Goode, British member of the Austrian section of the Reparations Commission, affirmed that the program was a full year ahead of what had been expected and that the reason was to be found not only in Mr. Smith's industry and skill, but in the fashion in which the Hungarians, even in a year of poor crops, submitted to doubled or trebled taxation. Under a plan for drastic economies in administration, worked out by the recently created Economy Committee and fully supported by Premier Bethlen and Finance Minister Bud, the number of Ministries is to be reduced by about half and hundreds of functionaries are to be dismissed, not with pensions, but with merely a lump-sum

grant from the State by way of compensation.

Further indications of the economic improvement in Hungary were manifest on June 9, when Commissioner Smith reported to the Council of the League of Nations at Geneva that Hungary would end the fiscal year on June 30 with a surplus of its budget. Mr. Smith said Hungary was firmly on her feet financially and that the prospects for this year's harvest were excellent.

The Horthy régime was brought under fire at the beginning of June by declarations of Edmund Beniczky, Legitimist leader and former Minister of the Interior, that Admiral Horthy ordered his political enemies—notably two Socialist newspaper men—to be drowned in the Danube when he took control in 1919, following the rule of Bela Kun, the Bolshevik. Subsequent to his allegation, M. Beniczky was arrested, nominally on an old unserved sentence for slandering another politician, but actually, it was believed, because of his attack upon the Regent. He had just returned from a visit to former Queen Zita at Lequeitio, Spain, and it was commonly considered that his charges were meant to bring the conflict between the Legitimists and the Horthy supporters to a new stage.

The municipal elections ending on May 23 resulted in a crushing defeat for the Government party. The united opposition of Democrats and Social Democrats obtained 128 seats against the Government's 91.

The attitude of the ruling elements in Hungary toward international affairs continued to stir strong feeling, both in the country and outside. The irredentist association, the National Magyar Union, made itself responsible for renewed agitation, demanding a revision of the treaty of Trianon and criticising the Government for working too sluggishly toward this end. Publicly questioned by Deputy Karafiath, leader of the union, Premier Bethlen did not hesitate to affirm that every Hungarian believed the treaty unjust and was convinced that it must be replaced with

something else. The Foreign Ministers of the Little Entente, in session at Bucharest, May 9-12, formally expressed dissatisfaction with the manner in which Hungary, it was alleged, was avoiding compliance with the conditions of the treaty of peace, particularly concerning disarmament.

Hungarian support in the United States for the movement in Hungary, headed by Count Michael Karolyi, to overthrow the present Government, was organized on a national basis at a convention held in New York on May 24. The meeting was under the auspices of the New York Hungarian Party and was attended by one hundred delegates from some forty organizations in eleven States. The decisions reached are to be submitted for ratification by a national convention to be held at Cleveland in 1926. The moving spirit in the new organization—known tentatively as the National Hungarian Party—is Dr. Samuel Buchler, a former Deputy Attorney General of New York State.

Bulgaria

ALTHOUGH pronounced forgeries by representatives of the Moscow Government, documents brought to light in the three or four weeks following the attempted assassination of King Boris and the blowing up of the cathedral at Sofia seemed to have established at least so much responsibility on the part of the Soviet authorities as was involved in the full endorsement of a plan for a Communist revolution to be carried out in Bulgaria during the month of April. The actual plan of campaign was said to have been the work of the military section of the Soviet legation at Vienna.

Five persons accused of responsibility for the bombing outrages in April were placed on trial by court-martial on May 3. The most prominent of the defendants was Peter Zadzorski, sacristan of the Sofia cathedral, who confessed that he was a Communist and that he had received 10,000 levas for allowing a man named Vasco to enter the cathedral from time to time

for the purpose of placing explosives on the roof. According to Zadgorski's story, the Communists had 4,000 armed men in Sofia ready to attempt the establishment of a revolutionary government after the cathedral explosion. Various additional persons were brought to trial as the proceedings continued, and on May 11 Zadgorski and seven others were sentenced to death and two were given sentences of imprisonment. The sentences were investigated and confirmed by the Court of Appeal; and although King Boris is opposed to capital punishment, he gave his assent in the cases of Zadgorski and two other members of the group. These three were hanged on May 27; the hangings took place on the outskirts of the capital, in the presence of a crowd estimated at 30,000. On the preceding evening, three other persons, including one woman, had been convicted of hiding the perpetrators of the cathedral tragedy; these three also were sentenced to death. Of these latter three, M. Perchemlieff was hanged on June 11; the remaining two, Mme. Nicolova and M. Leger are French citizens, and, as a result of French diplomatic intervention, their sentences were commuted to life imprisonment.

Believing that several Communists involved in the April conspiracy were still hiding in Sofia, the Government, on June 2, instituted a rigorous house to house search of the entire city. For some days no one was permitted to leave the city and civilians were required to keep off the streets; and all persons who could not produce satisfactory identity cards were placed under arrest. It was announced on June 3 that the state of siege would be prolonged indefinitely.

The Allied Council of Ambassadors on April 10 authorized 3,000 volunteers to be added to the 20,000 troops allowed to Bulgaria by the treaty of Neuilly, and after the events of the succeeding week the total number was temporarily allowed to reach 33,000. It was reported on May 24 that the Sofia Government had asked to be per-

mitted to maintain the larger force beyond May 31, the date originally fixed; the Government claimed that the situation was not yet normal and that the Communists would be encouraged to renew their efforts if it were known that the additional 13,000 troops were to be disbanded forthwith. Already, however, the British Government had indicated that it would oppose the extension; and on May 30 disbandment of the supernumerary forces was ordered by the Council of Ambassadors, to take effect at once.

Czechoslovakia

THE Senate and House of Deputies met in session in the middle of May. Parliament was confronted by a crowded program of legislation, including the nationalization of railways, the reform of public administration, the adjustment of the salaries of State employes, tax reform, electoral reform, and new laws on social insurance and the status and activities of chambers of commerce. The session was expected to last until late in July.

It was announced that a bank of issue would be established at once as a means of further strengthening and regularizing the Republic's financial system.

Dr. Benès, as usual, played a leading rôle in the semi-annual conference of the Little Entente's Foreign Ministers; this conference was held at Bucharest, May 9 to 12. The three States took action on many outstanding questions; they reaffirmed their opposition to the incorporation of Austria in the German Republic, declared their readiness to continue to help Austria get on her feet, and expressed strong interest in the disarmament and financial recovery of Hungary, as a means of preventing Magyar leaders from accomplishing their alleged purpose of upsetting the peace treaties. In the course of the deliberations, Dr. Benès submitted a proposal for a central European combination, with the Little Entente as a nucleus, and to include France and Belgium, as an alternative to the security

plan embodied in the Geneva Protocol. At the opening of the Seventh International Labor Conference at Geneva on May 19, Dr. Benès stressed the close connection between that conference and the social, economic, and peace efforts of the League of Nations and the various important national policies of the world. His address made a deep impression, and by unanimous vote of the members he was elected President of the conference.

Poland

AN advisory opinion handed down on May 16 by the Permanent Court of International Justice in the controversy between Poland and the Free City of Danzig over the right of the former to establish a postal service in Danzig was favorable to Poland on all points at issue.

A few days subsequently, another international question to which Poland was a party was put in course of adjustment by the Court; the issue was the right of Poland to appropriate in Polish Upper Silesia industrial enterprises, including mining and farming property. It was the contention of the German Government that in certain instances the Polish authorities took possession of or liquidated properties, without formal treaty rights or without conforming to the established rules of procedure. Germany, accordingly, asked the Court to hear the charges; and the request was duly communicated by the Court to the Polish Government and to members of the League. Article 23 of the German-Polish conventions of May 5, 1922, relative to Upper Silesia, stipulates that differences of opinion arising from the execution of the treaty shall thus be referred to the Court.

M. Thugutt, Deputy Prime Minister, who recently affiliated himself with an Opposition party, resigned on May 28; it was announced that he would openly ally himself with the forces opposed to M. Grabski's Government.

A railway wreck near Starograd, Poland, on April 30, in which forty persons, mostly Germans, were killed or

injured while traveling in a German express train across the Polish Corridor, led to the filing of a protest on the part of the German Government with the Mixed Polish-German Transit Tribunal, which has jurisdiction over matters of transit in Polish Pomerania. The inquiry instituted by the Polish railway authorities disclosed that the rails had been criminally tampered with. The evidence pointed toward a Communist plot in connection with the usual demonstrations of May 1. The German Government sought to place responsibility for the wreck upon the Polish Railway Administration, charging that the roadbed was in a dangerous condition. In a decision rendered on May 13, however, the Transit Tribunal, presided over by the Danish consul in Danzig, after an inspection of the scene of the wreck, dismissed the German protest and exonerated the Polish Railway Administration of all responsibility for the disaster. The Starograd case was the first litigation before the Transit Tribunal, which was established in 1922 by a Polish-German convention.

Political disturbances continued in Poland; terrorist activity, alleged to be planned and directed by Communists, was renewed in early May and numerous arrests were made.

M. Albert Skrzynski, the Polish Foreign Minister, has accepted an invitation to come to the United States to deliver a series of lectures on Poland at the Institute of Politics at Williams-town during July and August.

Rumania

AFRESH campaign against the Liberal Government was opened in Bucharest on May 17 by the Opposition bloc at a meeting which was attended by about 15,000 people. Professor Jorga, M. Maniu, Dr. Lupu, and other leaders of the United Opposition denounced the Government's methods and demanded its immediate resignation. A manifesto was issued to the country in which the difficulties through which Rumania is passing were laid at the door of the Liberal Party, which, it was

declared, had failed during its three years of government to fulfill the program of economic and financial recovery, as well as the political union, on the basis of which pledges it had been given power. The Government, fearing trouble, mobilized all the military forces stationed in the capital; except for some jostling when the meeting broke up, however, no incidents were reported. Tumultuous scenes, on the other hand, marked recent sittings of Parliament, and on the night of June 4 it was necessary to put out the lights and call in troops before the fighting Deputies could be made to leave the chamber.

Judgment rendered in a Bucharest law court required the Rumanian Government to pay the Baldwin Locomotive Company's claim of \$9,000,000 within a period of three months. This outcome of a notable suit forced the country into a position where it was felt the only recourse would be an American loan; on June 5 it was announced that a financial mission had been sent to the United States in quest of a loan, the figures of which were placed as high as \$100,000,000.

Yugoslavia

THE Pashitch-Pribitchevitch Cabinet, which resigned on April 30, was immediately reappointed, with some minor changes, betokening that other political combinations were not yet ripe and that the existing coalition would continue for an indefinite period. Negotiations looking to new combinations continued through May, but without significant results. Important discussions took place between the Radicals (the party now in power) and the Croat Peasant Party.

During the month under review it was generally believed that, in view of the improved political condition of the country, the coronation of King Alexander would take place this Summer. The coronation ceremony was expected to be held at Zagreb and the customary ceremony of anointing at the monastery of Zhitsa in Serbia.

Documents seized by the police on May 16 revealed a Communist plot against the lives of the King and Queen and numerous political leaders. The plot, it appeared, included arrangements to blow up the royal palace, the Parliament Building, the police headquarters, and leading newspaper offices. Elaborate defense measures were subsequently undertaken by the Government.

Greece

A MINISTERIAL crisis was precipitated in Greece when the Michalakopoulos Government resigned suddenly on June 11. The cause of the Premier's action was not made public. Premier Michalakopoulos assumed office on Oct. 6, 1924. The fall of the Government came as a surprise; this Administration had the weakness of a coalition Ministry, but its suppression of the general strike and its pacific attitude under considerable Turkish provocation, culminating in the expulsion of the Patriarch from Constantinople, were thought to have increased its prestige. The energies of the Boulé (Parliamentary assembly) were devoted mainly during the month under review to the drafting and discussion of the permanent republican Constitution.

Signs in all other directions indicated that, though the monarchists continued to be very numerous in the country, the stability of the republic was more certain than at any time in the past. Most of the monarchists gave indication of being more disposed to arrive at a *modus vivendi* with the Moderate Republicans than to jeopardize peace and public order by attempting to restore an inexperienced King.

The Greek Republic was recognized by Yugoslavia on April 30, 1924. A treaty of alliance was forthwith negotiated, but it did not prove satisfactory to the Belgrade Government, and in February, 1925, it was announced that negotiations for a new treaty would be undertaken. It was officially stated at Athens on June 2 that the new series of discussions had been terminated without an agreement being reached.

Albania

IT was reported at the end of May that insurgents were drawing together into formidable groups and resisting the Government forces at several points in southern Albania. The dispatches indicated that Premier Ahmed Zogu had returned hurriedly to Tirana, the capital, and was preparing for mili-

tary operations on a large scale. Hundreds of Albanians who were attached to the régime of the exiled Fan Noli are sojourning in border countries, impatiently awaiting an opportunity to return and overthrow the existing Government. Bari, which is only ten hours across the Adriatic from Durazzo, is a favorite haven; Brindisi is another. Fan Noli and his followers are still hopeful.

Russia

By ARTHUR B. DARLING

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A WEEK after his return from "exile" in the Caucasus, Trotsky made his first appearance in Moscow at the opening meeting of the Federal Congress of the Soviets. He was elected a member of the praesidium of seventy-five and amidst prolonged applause took a seat on the platform not far from his adversary Zinoviev. It appears that the latter's "vacation" in the Caucasus was either postponed or terminated so as not to have him significantly absent at the moment of Trotsky's reappearance. But Trotsky seems to have taken no part in the proceedings of the Congress of the Soviets. It spent a week in discussion of the condition of Soviet industry and finance and then established a new Central Executive Committee, or Parliament, for the Soviet Union. The Central Executive Committee proceeded to re-elect all the old members of the Council of People's Commissars, the administrative body of which Alexis I. Rykov is Chairman.

Trotsky was left without office. Within a few days, however, announcement was made that he had accepted a place at the head of the Scientific and Technical Division of the Supreme Economic Council, over which Dzerzhinsky presides. Although Trotsky was not immediately allowed to resume an active political position, he was given

opportunity for his great administrative energy. He is to direct the electro-technical development of Soviet Russia which Lenin considered so vital to its future. More important still is the fact that Trotsky was made Chairman of the Concessions Committee. He is expected to compose the difficulties that impede negotiations with the Harriman interests which would exploit Russian manganese mines. It is said that Trotsky especially favors the importation of foreign capital to strengthen the Communist State.

As they addressed the recent Congress of the Soviets, the Bolshevik leaders were far less certain than usual that world revolution was about to overturn bourgeois States and bring the proletariat of other nations to the aid of communism in Russia. Zinoviev, though insisting that the revolution must come eventually, admitted that it might be postponed for ten or twenty years. He stormed at any thought that the idea should be abandoned: "We are and must remain international revolutionaries."

Stalin analyzed what he called the stabilization of capitalism in Western countries. He saw an American-British-French bloc to attempt to rob Germany under the Dawes plan, an American-British-Japanese agreement to despoil China, an understanding of imperialist

nations to foster "non-intervention" with one another's colonies and possessions, and finally an imperialistic attempt to maintain a united front against Russia. But such stabilization, he asserted, could not be sure of solid foundations in Germany, China and the colonies. As for concerted action against Russia, the menaces of Western nations only strengthened the Soviet Government in the confidence of the Russian people and united them for self-defense. Stalin warned capitalistic nations to beware of revolution in their rear. He disagreed, however, with both Zinoviev and Trotsky if they thought that world revolution was really essential for the future of Soviet Russia. He declared that present differences between workers and peasants could be eliminated without foreign assistance.

Dzerzhinsky submitted a report on the business year, 1923-1924, to show that State industries, although still indebted to the Government to the extent of 700,000,000 rubles, had gained a net profit of 90,000,000. Whereas industrial production in 1923-1924 had been 40 per cent. of pre-war output, he predicted that it would reach 70 per cent. in the present year. Agricultural production would approach 72 per cent. At this time the harvest is uppermost in the minds of all Russians. Government estimates place the yield as likely to reach 3,200,000,000 poods—400,000,000 in excess of the harvest of 1923—and in any case, in spite of adverse conditions in the Winter months, it is not expected to fall below the average yield of the past. The authorities seemed to be much more worried over the problem of distribution. At a recent conference of the State Planning Commission it was proposed that the State monopoly be so curtailed as to permit private purchase of grain directly from the peasants, in behalf of the State.

During the past year Russia's production of vodka was tripled. It brought in the largest revenues yet received by the Soviet Government. Recognizing that prohibition has failed in Russia, the Government now operates

341 national distilleries. It has announced that next October the alcoholic strength of vodka will be increased to 40 per cent. But, although the State product is approaching the strength desired by the Russian, it is more expensive than his own brew. The Government confiscated more than 300,000 illicit stills during the past year.

Soviet banks in Moscow acquired control of the Commercial Bank for Northern Europe in Paris to facilitate business in France and Scandinavian countries. At the request of the French Foreign Office, the Soviet Government recalled M. Voline, First Secretary of the Russian Embassy at Paris. He had become objectionable to France by participating in a Communist demonstration on April 29.

Delegations of workmen in Moscow waited upon the representatives of foreign powers to protest against the death sentence and public execution that had been decreed for the participants in the bombing of the Sveti Krai Cathedral at Sofia, Bulgaria. The Moscow press also expressed indignation. Pravda gave characteristic advice to the workers of the world: "When the time arrives for the bourgeois representatives to fall into your hands, remember Sofia." Soviet authorities were especially angry that the Soviet Government should be accused of intriguing in the Balkans and at Vienna. Joffe, envoy to Austria but at present in Moscow, said that his stay in Vienna had been made most unpleasant for him and that he had left in order to spare Austria further inconvenience. In the meantime, Stalin had addressed the Communist students at the University for Oriental Nationalities in Moscow. They must, he said, create a yearning for emancipation among the peoples of India, Morocco, Egypt, China and Java. Where a proletariat did not exist, the Communist agents must join with the nationalist movement, even if it were of the bourgeoisie,

General Boris Savinkov, famous opponent of the Bolshevik régime and whose trial created a sensation last August, leaped to death from the window of his cell in Moscow.

Nations of Northern Europe

Finland

THE Supreme Appeal Court declared illegal the activities of the Communist Party and forced its dissolution. Ninety-seven other Communist organizations now face prosecution by the Finnish Government. All evidences point to the determination of the Finnish Government to suppress the plottings and underground activities of the Communists in Finland directed against the State.

Latvia

BY a decree of the President on May 7, Mr. Charles L. Seya was appointed Envoy Extraordinary and Minister Plenipotentiary to the United States. It is understood that he is to carry on negotiations to adjust Latvia's debt.

Estonia

POLICE raided the quarters of the Soviet Cooperative Society in Reval and arrested the Russian chief of the forwarding department, on the charge that he not only had taken part in the Communist uprising of December, 1924, but also that he was still organizing revolutionary societies in Estonia. Forty-nine other Communists are soon to be tried at Dorpat for plotting revolt against the Government.

A statute was drawn up by the War Council to establish training for all citizens, both men and women, between the ages of 15 and 55, in a National Guard. Pupils are to be drilled in the schools.

The Estonian Parliament ratified the convention of the Helsingfors Conference of Estonia, Latvia, Finland and Poland, which had met on Jan. 16 and 17. The Parliament on May 15 paid a visit to the Polish Parliament. From May 9 to 12 Mr. Jaakson, President of Estonia, Mr. Pusta, Minister of Foreign Affairs, and General Soots, Minister of War, paid a return visit to

the President of Latvia. President Relander of Finland visited Estonia from May 21 to 23.

A group of Swedish financiers headed by the director of the Swedish Bank, Mr. Wallenberg, recently received a large concession to develop oil shale factories in Estonia.

Lithuania

THROUGH its information bureau in London the Lithuanian Government released the text of its notes to Cardinal Gasparri, Secretary General to the Holy See, in protest against the inclusion of the episcopate of Vilna within the Polish ecclesiastical organization. Lithuania made much of the fact that the Polish Government may eliminate all candidates for bishoprics who are undesirable to it and thus may remove effectually all Lithuanian and White Russian priests from the hierarchy and from their parishes within the occupied territory.

Settlement of the dispute between Germany and Lithuania over Lithuanian freight cars that disappeared into Germany in 1918 and 1919 failed to satisfy Lithuania. The controversy was transferred to the International Communications Organization at Berne, Switzerland, for adjustment. The Lithuanian railway commission accepted from Germany the railroad materials which it had to give over in compliance with the Memel convention. Lithuanian authorities expressed satisfaction with the quality of the materials delivered.

The Russian Telegraph Agency reported that the Polish Government had proposed a conference with Lithuania to discuss the use of the Niemen River for the transportation of timber and had suggested reciprocal establishment of consulates. The report further intimated that the Lithuanian Premier favored the proposals; whereupon the Lithuanian information bureau at London was authorized to declare that Lithuania had received no such proposals from Poland.—A. B. D.

Other Nations of Europe

By JOHN MARTIN VINCENT

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Spain

DISCUSSION over the success of the present Government of Spain continues with vigor, particularly in the foreign press. Early in May the leader of the Liberal-Conservative party, Señor Sanchez Guerra, who was Prime Minister in 1922, declared that "the continuation of the Directory, which has now been so long in power, and is upheld solely by the confidence of the Crown and without consulting the nation, has practically transformed Spain from a constitutional into an absolute monarchy." The censorship allowed the press to publish this declaration out of courtesy to a former Prime Minister, but with an appendix written by the President of the Directory, who denied that the present régime was one of absolute monarchy, pointing out that "all his Majesty's actions are countersigned by his present counselors and although the constitutional guarantees remain suspended, the same has happened under former civilian Governments and for periods that were just as long."

The state of siege which had been in force since the beginning of the military Directorate was lifted on May 17 by King Alfonso, who stated that the change was requested by the President of the Directorate.

At the request of *The New York Times*, General Primo de Rivera himself prepared a statement on the position and general policies of the Spanish Government. A translation of this was published in *The Times* of May 22. In brief the President of the Directorate desired to remove the prejudices of foreigners, who seemed to think that Spain was either in a state of torture or politically asleep. He declared that these ideas were fostered by extravagant writers who were more interested in their personal profit than in the truth. On the other hand, foreigners on actu-

ally entering the country found the people at peace and enjoying the benefits of helpful Government.*

Blasco Ibáñez resumed his attack upon the King of Spain by the publication of a pamphlet calling for the establishment of a republic along American or French lines. Under the title, "What the Spanish Republic Will Be," Ibáñez promised the reorganization of the army and "reforms in finance, taxation, land ownership and labor laws." He favored autonomy for Catalonia, preservation of the concordat with the Catholic Church, but with tolerance for Protestants, and, after accusing King Alfonso's Generals of supplying money and munitions to the Riffs, repudiated the charges of Bolshevism made against himself.

The situation in Spanish Morocco remained unchanged except for an air bombardment of the Jabala district in the vicinity of the Spanish position, which caused more or less of an evacuation of tribal non-combatants. The attacks of the Riffs upon French Morocco have brought on negotiations between the Governments of France and Spain, and persistent rumors that some form of united action would be undertaken. As long as the Riffs can use the Spanish border as a base, or as a line of retreat, the French forces can make no complete conquest. Early in June it was announced that the Spanish Government had finally agreed to permit French forces to cross the boundary of the Riff region, if necessary. No military co-operation was in view, but Spain had promised to take steps to prevent illicit traffic in arms along the seacoast under her control.

A matter of social and economic importance was indicated in the report that the Duke of Alba had ordered two of his estates to be cut up and the land

*The full text of Primo de Rivera's statement is printed on page 685.

apportioned among his tenants on a deferred payment plan. The two ranches will be divided into small parcels so that 400 poor families, now inhabitants of villages bordering on the estate, will become owners of the land on which they have labored and which has belonged to the Dukes of Alba for many centuries. The present owner is the seventeenth of his line and holds a Scottish title as well.

A power project of great interest to the industry and agriculture of Northeastern Spain is about to be realized. After a long technical examination, an engineers' commission has chosen the small town of Mequinenza on the River Ebro for the site of the construction of a gigantic artificial waterfall which will supply electric power to the northeastern Provinces of Spain. The big artificial lake will also be used for an irrigation system in these districts. The ambitious project was originally planned and financed by the well-known Canadian banker, Mr. Pearson, who perished on the Lusitania.

The work will be undertaken by the Compañía de Riegos y Fuerze del Ebro, which has headquarters in Barcelona. The plan entails the wholesale destruction of entire villages situated in the Provinces of Lerida, Zaragoza and Huesco. The two hitherto practically barren Provinces of Aragon and Catalonia will benefit principally from the scheme and are expected to become richly productive agriculturally.

Portugal

THE political disturbances of April were succeeded in May by an outbreak of anarchists. On the evening of May 15 Major Ferreira Amaral, commander of the Safety State Police, was attacked in the street by members of the "Red Legion," which is described as a bomb-throwing organization. The police had been actively pursuing this group and the motive for this assault was supposed to be desire of revenge for the deportation of some members of the legion. Although Major Amaral was severely wounded he drew his pis-

tol and returned the fire with vigor, displaying the courage which had marked his action when commanding a Portuguese regiment in France, where he was cited for distinguished bravery. At the hospital his condition was reported to be not serious, but the place was put under guard to prevent further attacks.

Parliamentary elections were announced for July 25. It was stated in political circles that if, in the meantime, legislative work was hindered by obstructionists, the Premier would ask for the immediate dissolution of Parliament.

Denmark

MAY DAY to many Governments in Europe is a source of anxiety rather than of joy, but the expected demonstrations are usually less formidable than is anticipated. In Copenhagen the Labor and Social Democratic Parties came out in great force and the day was marked by a small conflict, not with capitalism, but with Communists. Nearly 25,000 people, mostly locked-out or striking workmen, marched in procession from the centre of the city to the largest park within its boundaries. They were led by the Prime Minister, M. Stauning, and members of the Cabinet, who are leaders of different unions. About one hundred persons belonging to the Danish Communist Party attached themselves to the procession, but the Socialists had officially declared that they would have nothing whatever to do with them.

In the park, while a speech was being made by the editor of *Socialdemokraten*, a fight started between the Socialists and a number of Communists, who were interrupting the speaker and tearing down the flags of the unions. The Communists were driven from the park and had to enlist the services of the police to protect them and escort them safely home. The leader of the Communists was severely handled.

The labor troubles in Denmark took on an international aspect in more ways than one during the month of May. The

labor unions of foreign countries were called upon for financial support of the strikers and liberal contributions were sent in. The strike was also extended to workers handling agricultural products for export. Troops and volunteers had been permitted to carry on this work, but the regular laborers at Esbjerg, called Denmark's Chicago, objected, and shipments fell off seriously. The leader at this place maintained that English harbor workers would not touch Danish agricultural products shipped from Denmark by unorganized volunteers. This would be a calamity for London if kept up for any length of time.

A serious setback to cooperative agriculture occurred when the Danish Commercial Bank (Danske Andelsbank) stopped payment on June 1, with a probable total loss of its share capital. The papers attribute the trouble to the inability of the bank to obtain 20,000,000 kroner in new capital. The institution was the parent concern of various farming cooperative associations, which owe it approximately \$9,500,000.

Norway

THE fate of the Amundsen-Ellsworth expedition to the North Pole is a matter of daily world news and of universal interest, hence it is necessary only to record here the intense anxiety which has pervaded Scandinavia during their absence. Confidence in the men of the party has alternated with fear of accidents, and the prescribed delay of two weeks in Amundsen's sealed orders was, nevertheless, accompanied by preparations for relief parties on the part of the Norwegian Government.

The financial stability of the country was shown on June 1, when it was announced by a New York syndicate that a loan of \$30,000,000 to run for forty years at five and one-half per cent. had been largely oversubscribed.

A serious defeat was suffered by the Government on May 28, when the Odelsing, one of the Chambers of the Norwegian Parliament, rejected by a vote

of 56 to 51 the Government motion to repeal the act giving the privilege of free postage to State and municipal institutions. In asking for passage of the bill, the Premier had threatened to resign if the measure was not passed; this extremity, however, was not resorted to, and the Government continued in office.

Sweden

AFTER six years of debates Sweden has been the first European country to take a definite step toward disarmament. The joint committee chosen from both houses of Parliament presented its report in May. The final vote of the Riksdag was 85 to 60 in the First Chamber and 137 to 86 in the Second in favor of the Government bill to reorganize the army, as modified slightly by the Legislative Committee on National Defense. By this vote eight infantry regiments, four cavalry regiments were suppressed; 980 officers, 950 non-commissioned officers and 6,970 privates enlisted for long terms as trainers were taken off the active list. Even the proposal to build a new submarine was rejected and the request for appropriations to support voluntary rifle teams was refused.

The majority report, signed by the Socialists and Liberals recommends that the army be reduced to twenty regiments of infantry, with a special infantry corps for Gotland, four regiments of cavalry and seven artillery regiments. In addition, there will be retained three independent artillery corps for Boden, Gotland, and Jönköping, and four engineer and four transport corps in various garrisons. The total strength of each of these regiments, however, is to be diminished from six to five companies. The budget cost of this army is fixed at 107,000,000 kronor (about \$26,940,000) per annum. So far as the navy and air force are concerned, the Government proposals are unaltered; no additional building fund is provided for the fleet, and the present conditions are to continue until 1928, when the naval program will be reconsidered.

The minority report, furnished by the

Conservative and Agrarian members of the committee, proposes the maintenance of the present provisional state of the national defenses, leaving the question of reform for consideration when the general political situation in Europe has become stabilized and decisions of the League of Nations become definite and binding.

This result is a triumph for the Social-Democratic Party, as developed and guided by the late Hjalmar Branting. In its essentials the new army system embodies his ideas of what is required for national security. Sweden still will remain sufficiently armed to defend its neutrality, but the tax bill for military purposes has been cut down by about one-third. The two basic ideas that clashed were those of the General Staff, supported by the Conservatives, which favored maintenance of the 1914 emergency measures for instant readiness, and those of the Labor Party leaders, who maintained, in the words of Branting, that the light is breaking in the European situation. The aim of the new army organization is to become adaptable to political circumstances as they develop—an elastic system, as opposed to the hand-on-the-trigger ideal of the professional military leaders.

Though forming the present Government in Sweden, the Social-Democratic Party alone could never have put through this reform in the teeth of the most determined opposition from the Conservative ranks, which during the closing days of the campaign mobilized newspapers, mass-meeting orators, women's organizations and every other imaginable form of propaganda against the Government's proposal, had not the Left Wing of the Liberal Party joined hands with it. Holding the balance of power this section of the party, representing chiefly the Free Church and Prohibition elements, cast the decisive vote. As Chairman of the National Defense Committee, its leader, Editor Carl G. Ekman, conducted the debates and exercised an authority equal to that of the late Hjalmar Branting, with whom he had often been in the closest sympathy. During the final open debates, which

lasted several days, another Liberal leader and newspaper editor, Mauritz Hellberg, made an appeal for a compromise solution, involving a less pronounced reduction in the country's standing forces, but he was voted down even by his own party members. As a last resort the Conservatives urged a nation-wide, popular plebiscite before reducing the country's defenses, but as the national election last Fall turned on this very issue, the people were held to have decided in favor of reduction already.

As the first fruit of this policy the Riksdag Committee on Appropriations passed a motion in favor of a general reduction in the State taxes by 5 per cent. On the subject of what to do with the money saved through the army reform, a party issue developed almost immediately. The Social-Democrats declared the time was opportune for new social betterment measures, such as unemployment insurance, while the conservative elements declared the economies should be used to lighten the tax burdens.

The Cabinet was reorganized through the definite appointment of Ernst Wigforss to become Finance Minister in succession to F. V. Thorsson, a post he had held temporarily while a former member of one of the Branting Cabinets. Judge Karl Schlyter, was made a Minister in a consultative capacity. The leading candidates for the party leadership after Branting and Thorsson are Prime Minister Rickard Sandler and the Minister of National Defense, Per Albin Hansson.

Commercial treaties with reciprocity provisions with both Spain and Czechoslovakia were ratified by the Riksdag. The Spanish treaty is expected to reduce the income from Swedish customs receipts by nearly \$1,000,000 a year, a sum the country hopes to recover through greater exports of machinery and lumber products, which have been put on the "most favored nation" list in Spain. In return Sweden has granted special concessions to Spain on such articles as fruits, fresh vegetables and wines.

Turkey and the Near East

By ALBERT HOWE LYBYER

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Turkey

THE Kurdish revolt having been completely subdued, the excitement over it was sustained only by certain trials and by reports of repressive measures in Kurdistan. A French writer, after pointing out the religious and nationalistic elements behind the uprising of the Kurds, severely criticized the English. Insurrections broke out at the same time, he shows, in the three States which constitute the Moslem triple alliance. Reactionary elements rose in Afghanistan under the direction of Prince Abdul Kerim, against the reforming policy of Ameer Amanullah. The nomad tribes in the neighborhood of Meshed proclaimed themselves independent of Persia. This writer affirms that Abdul Kerim was abundantly subsidized by the English, and that Persian authorities seized a convoy of arms on its way from Bagdad to Meshed. Add to this the suspicion that the British stirred up the Kurdish revolt against Turkey, and such a coincidence suggests a preconceived plan whereby English agents strove to forestall a possible attack from the Moslem triple alliance and disarm the threat against Mosul. This general charge of British machinations receives refutation in part from the fact that the Kurdish revolt against Turkey was followed promptly in the middle of May by a Kurdish attack on British-led Iraqi troops. Release of the Turkish troops followed the establishment of order in Kurdistan; the President of the Turkish Republic, in a statement to the demobilized soldiers on June 1, asked them to be ready for "any future emergency."

Hussein Jahid Bey, editor of the paper Tanin, who was condemned to exile for life at the little town of Chorum, was assigned to a yet smaller village in that neighborhood, but at last reports was still detained at Angora. The trial of the former Senator, Seyyid Abdul

Kadir, and Kurdish associates of his, began at Diarbekir on May 14. The Seyyid is a son of a Sheik Obeidullah, who worked for an "autonomous Kurdistan" about 1880. After he had disturbed international relations by a serious raid into Persia, the Turks sent an expedition, captured him, and brought him with his family to a comfortable detention in Constantinople. His son, Abdul Kadir, was made a Senator after the Turkish revolution of 1908. He has thus been described: "A big, grim-looking, bearded man, always wearing black robes, with an embroidered skull-cap and wide white turban. * * * his political and religious views were conservative and he resigned his seat in the Senate after the final fall of Kiamil Pasha." He was accused at the trial of having "collaborated with British agents for the dismemberment of the sacred Fatherland." His friends said, however, that the Government does not pretend to have evidence of such action since the time of the armistice, and that the attempt to connect him and his friends with the recent Kurdish revolt is wholly without foundation. Sentences of death were nevertheless pronounced on May 25 against Abdul Kadir, his son Mehmed, and his secretary, Keor Said.

Ali Bey, President of the Angora Tribunal of Independence, charged, in a statement on June 12, that a secret society had been formed in Turkey which was plotting to return Sultan Wahid-Ed-Din to the Turkish throne.

Professor Borel, who was appointed by the League of Nations as arbitrator in apportioning the pre-war Ottoman debts, rejected the Turkish claim that the income from the estates of Sultan Abdul Hamid should not be included in the basis for the Turkish quota, as well as the claims of Iraq and Palestine that the receipts of the Hedjaz railway should not be included in the basis for their quota. Turkey's percentage was set at 62.25, that of Greece at 10.57, of

Syria 8.15, and Yugoslavia 5.25. The question of the currency in which the debt should be paid was not answered.

President Mustapha Kemal Pasha appointed a commission of experts to study the construction of a harbor at either Mersine or Yumurtalik.

The Grand National Assembly on April 21 went into recess until October. On account of the Kurdish revolt its accomplishments were limited.

The first section of the Turkish-built railway between Angora and Yozgad was opened for traffic on April 16. A great effort was being made to increase the small air force by lotteries and private subscriptions. Foreign experts were reorganizing the School of Aviation. The engagement of a British Admiral for the reorganization of the Turkish navy was again under discussion.

St. Paul's College at Tarsus, founded as St. Paul's Institute by the American missionary Dr. Christie, recently deceased, was allowed to be reopened on April 15, after some years of suspension. Dr. Lorrin Shepard of Aintab, who had been refused permission to practice medicine in Turkey, under the general rule by which foreign physicians could not practice unless licensed by the Turkish Government before 1914, was asked to go to Harput to reopen the American hospital there for the use of soldiers, wounded and sick, in the Kurdish campaign.

Charles R. Crane has given pleasure to the Turks by offering a sum of money for the repair of the tomb at Sivri Hissar of Nasr-ed-Din Hoja, the well-known Turkish humorous character, who flourished in that neighborhood about the year 1400.

Egypt

FIELD MARSHAL VISCOUNT ALLENBY, British High Commissioner in Egypt since about the time of the armistice, resigned, and the Right Hon. Sir George Lloyd, Unionist member of Parliament, was appointed in his place. Foreign Secretary Chamberlain announced that the change did not imply any alteration in Britain's policy toward Egypt or the Sudan. Lord Al-

lenby's resignation was offered last Fall, and is stated to be in no sense due to friction between himself and the present British Government as regards policy. It had been rumored that the High Commissioner favored a more liberal policy toward the Egyptians than did the Foreign Secretary.

The trial began at Cairo on May 26 of nine men accused of the murder last November of Sir Lee Stack, Sirdar of the Egyptian army and Governor General of the Sudan. Inasmuch as several of the prisoners had confessed freely, one man had turned State's evidence, and the weapons and bullets had been identified, conviction was a foregone conclusion. Nevertheless the trial was carried through with completeness until its conclusion on June 2, when the nine defendants were found guilty of murder and sentence was passed.

Certain other arrests were made late in May of persons suspected of complicity in the murder of Sir Lee Stack, among them Ahmed Pasha Maher, Minister of Education at the time of the assassination, and Mahmud Effendi Nekreshi, Under Secretary of the Interior under Zaghlul Pasha.

Other governmental activities included a persistent campaign against Communists; on May 31 it was announced that fifteen raids had been made in Cairo and Alexandria, numerous Communists arrested and their papers seized.

The case against the Egyptian Government to compel the payment of the "Egyptian Tribute" was brought before a mixed court on May 11. The plaintiffs asked for an immediate hearing. The Government demanded at least three months' delay. After an hour's deliberation the Court refused to grant the Government any further delay and called on the plaintiffs to plead immediately.

About May 1 a petition signed by about 300 Egyptian lawyers was presented to the King, requesting him to protect the Constitution from the activities of the Ziwar Ministry. It contained a long list of alleged violations of the Constitution. It has been pointed out

that the action of the Ministry in dismissing the recently elected Parliament within a few hours of its assembling was carried out regularly, because after the Parliament had elected Zaghul Pasha as its President, the Ministry offered its resignation to the King; his Majesty thereupon exercised his lawful choice between accepting the resignation of the Ministry and dissolving Parliament.

Egyptian feeling continued to run high in regard to Italy's demand for the oasis of Jarabub. The Egyptians contend that the oasis, with its sister oasis Siwa, to which Alexander of Macedon carried a large part of his army to worship at the temple of Jupiter Ammon, has always belonged to Egypt. This is not correct historically, since at a number of junctures the Government of Egypt has been too weak to maintain its authority so far into the Western desert. Even during the great war the Senussi used Jarabub as a base for attack upon Egypt.

In compensating Italy after the war for gains obtained by England elsewhere in Africa, Jarabub was assigned to the former country. A return compensation was proposed by a small extension of Egyptian territory westward near Sollum on the Mediterranean coast. The Italians maintain that they have great need of controlling Jarabub because its employment as a Senussi base is dangerous to their control in Tripoli, and also because the oasis is an effective centre for smuggling trade with central Africa.

The Egyptian budget for the next year estimates the revenue at \$185,000,000, and the expenditure at about \$3,000,000 less. The surplus has now reached \$110,000,000. Egypt has prospered during the past year from the high price of cotton, which promises to be continued for some time to come. The Government is considering promoting the extensive cultivation of tobacco.

Palestine

FIELD MARSHAL HERBERT C. O. PLUMER, first Baron Plumer, was appointed on May 20 to the post of

British High Commissioner for Palestine and Commander-in-Chief of the British forces there, in place of Sir Herbert Louis Samuel, who had served out his term of office. The appointment caused considerable surprise, because Marshal Plumer's experience has been almost entirely military. The explanation commonly given was that inasmuch as Lord Allenby had been succeeded in Egypt by a civilian, it was imperative that in the adjoining territory across the Suez Canal there should be an experienced military man. From the Zionist point of view the appointment causes apprehension. Zionists hope for the resignation of Sir Ronald Storrs, Governor of Jerusalem, and his replacement by a Jew, in order to continue the process of establishing a Jewish national home in Palestine.

Mr. Amory, Secretary for the Colonies, after his return from the Near East, said that he had come back very much impressed by the beauty and interest of Palestine, its economic possibilities, and its progress during the five years' service of Sir Herbert Samuel.

While in Palestine Mr. Amory received a deputation from the Arab Executive, which urged the abandonment of the "futile experiment" of Zionism. Mr. Amory replied that the Arabs could not really think that Great Britain could change her policy. While giving the Jews an opportunity to make a national home in Palestine, Great Britain's object is to insure that the country is also a national home for the Arabs. The Palestine Government has not shown any favoritism to Jews over Arabs. Security and health are better than they ever were in the past. Education and communications have been greatly improved for the Arab. Immigration, it is true, has added 53,000 Jews; but on the other hand, the number of Arabs has increased by 80,000 in the same period of five years. The Arabs would have had representative institutions if they had been willing to cooperate with the British Government. Mr. Amory added: "I would suggest that your future depends, not on concentrating on what I

consider mistaken fears of dangers from the policies of Government, but on concentrating on the development of your people, its education and progress, and interest in its own history."

Persia

THE Mejliss or Parliament on May 10 passed with little debate the bill of the Minister of Finance which authorized Dr. Millspaugh, the American chief financial adviser, to engage twelve more Americans for the finance department at salaries of \$7,500 and \$10,000 a year. Dr. Millspaugh subsequently departed for New York on a four months' furlough with the object of finding the new advisers, and also of explaining to capitalists there the opportunities for investment in Persia.

An uprising of Turcomans near Meshed in northeastern Persia grew steadily more serious during May. The Persian troops were reported to be holding their own against the enemy. Two Persian airplanes of German make arrived at Meshed to take part in the war. There was danger that the trouble would spread across the Russian border, and it was feared that Russian troops might violate the frontier. Russian Turcomans who had adopted the Soviet organization were reported to be inciting Persian Turcomans to act similarly.

Lord Balfour on May 19, in answering an inquiry regarding Persia, stated that his information indicated that Persian finances were in a more favorable condition than those of many more powerful nations. Persia, he said, had virtually balanced her budget, for which the work of the American advisers deserved much credit. The Anglo-Persian agreement was no obsolete history, he asserted, and added that "Britain wished to see Persia independent, free, and capable of being treated as a neighbor on equal terms."

Orthodox Persian fanaticism was said to have been responsible for the continued persecution of Bahai believers. It was even alleged that Major Robert W. Imbrie, American Vice-Consul at Teheran, was assassinated deliberately be-

cause he had protected certain American Bahai teachers stationed in that city.

The death of the ex-Shah Mohammed Ali Mirza at San Remo early in April brought up the question whether his son would ever return to Persia to take up again the reins of government. Riza Khan, the Prime Minister, observed formally the young Shah's birthday and coronation in March, and ostensibly the way is open for his return from France.

Late in May a society was organized in Teheran with the object of promoting closer business relations between Persia and the United States.

Syria

THE French High Commissioner on March 9 signed a decree placing a French Magistrate as Concurrent Judge in civil, commercial and penal affairs in the High Courts of Lebanon and Beirut. By this decision a situation resembling the special legal position of foreigners under the Turkish capitulations was created.

The convention of transit between Syria, the Lebanon and Iraq provides that goods crossing these countries shall not be liable for import duties, provided that they do not remain longer than six months. A transit charge of one-half of one per cent. ad valorem will be exacted. No preference will be shown the goods of any country. Five routes of trade were specified, three between Bagdad and Damascus, one between Bagdad and Deir ez-Zor, and one between Bagdad and Aleppo. The arrangement went into effect on April 1, 1925.

The Hedjaz

SUBSTANTIAL victories were announced on June 12 by the Government, in its campaign against the Wahabis; the Government is fighting to recover certain Arabian territory that had been seized by Ibn Saud, Sultan of Nejd and leader of the Wahabi tribesmen. It was stated that King Ali's forces had engaged the Wahabis in a severe battle 200 miles northwest of Mecca, which city is now in possession of Ibn Saud;

the Hedjaz forces were successful and took possession of the Mohammedan city of Bedr.

Iraq

SHEIKH MAHMUD reopened his guerrilla warfare in Kurdistan, near Suleimanieh, during April. About the middle of May a force of native cavalry under British officers was waylaid in a valley between high hills, and ten men were killed and eighteen wounded.

British army airplanes scattered the Kurds and inflicted numerous casualties.

The elections for Parliament were completed about the middle of May, and its early summoning in extraordinary session was predicted. The High Commissioner, Sir Henry Dobbs, and the King, accompanied by the Emir Ghazi, each made tours about the country during April, with the aim of quieting unrest and reassuring the population.

The Far East

By QUINCY WRIGHT

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FAR Eastern problems will be considered by the Institute of Pacific Relations at its first session to be held at Honolulu beginning July 1. The institute is wholly unofficial and consists of about a hundred men and women from Japan, China, Canada, Australia, New Zealand, the Philippine Islands and the United States.

China and Japan and their relations to the United States are the topics to be considered at the second institute under the Norman Wait Harris Memorial Foundation to be held at the University of Chicago from June 30 to July 18. Among the visiting lecturers are Count Michimasa Soyeshima of the Japanese House of Peers; President P. W. Kuo, recently of Southeastern University, China; H. G. W. Woodhead, C. B. R., editor of the Peking and Tien-Tsin Times and of the China Year Book; Julian Arnold, United States Commercial Attaché in China, and H. K. Norton, author of the Far Eastern Republic of Siberia.

CHINA

DURING the past month serious rifts have occurred in various parts of China. On May 27 striking employes of the Japanese spinning mills at Tsing-

tao, the former leased territory of Japan in Shantung Province, caused such disturbances that Japan dispatched a destroyer and police troops from Tsinan. More serious anti-foreign disturbances began in Shanghai on May 30. Strikers from the Japanese mills and students from the local schools organized a parade and toured the foreign settlement protesting against the killing of Chinese laborers in Japanese mills, prosecution of students in the mixed courts and the contemplated measures of rate payers regarding wharfage dues and press regulations. The foreign settlement police ordered discontinuance of the demonstration, but without results, then arrested the leaders, and shot into the mob, which was attempting a rescue and was threatening foreigners. Nine persons were killed or mortally wounded and twenty others wounded. Riots continued during the next three days and resulted in the death of some twenty Chinese and the wounding of many Chinese and a few foreigners.

During this time a strike of the operatives of the mills, public utilities services and domestic servants was called, and by June 5 over 100,000 were said to have stopped work. A boycott of British and Japanese goods was also ordered by

the strikers. The local schools were closed. The international settlement organized itself for defense. Foodstuffs were put under control, organized patrols of foreign troops and armed cars were established and reinforcements were requested. Japanese, French, British, Italian and American cruisers and gun boats came to the scene, and Italian, American and British marines were landed on June 2. By June 9 the foreign forces seemed to have the situation in Shanghai under control. Demonstrations of similar character but with less serious consequences occurred in Canton and Peking on June 3. During the second week of June there were signs that the labor crisis was waning; several thousand workers at Shanghai returned to their tasks.

The Chinese Provisional Government under Tuan Chi-jui, in a note of June 2, protested against the drastic measures of the foreign police in Shanghai. The note was addressed to the Italian Minister as ranking representative of the powers involved. Karakhan, the Soviet Ambassador and Dean of the Diplomatic Corps at Peking, was not included. The note requested immediate release of the arrested students and reserved the right to present claims for damages in language which the powers have customarily used in making demands on China. The powers replied that they awaited further information and in the meantime hoped that the Chinese Government would "envisage the incident in the same conciliatory spirit which has inspired the foreign diplomatic representatives."

On the same day (June 4) the Chinese Government sent a second note referring to the "grave consequences" which had followed the police action. The powers replied on June 6, insisting that the police were instructed to use their arms only when in immediate danger. They reserved judgment, however, until they had received the report of a commission of secretaries of the six legations (American, British, French, Italian, Japanese, Netherlands) sent to Shanghai. The Chinese protest was said to be

supported by both Generals Feng Yuxiang and Chang Tso-lin.

Though recognizing the anti-foreign trend in certain sections of Chinese opinion and the political capital to be made by various factional leaders through playing on this sentiment, foreign observers and consuls were inclined to see the hand of Moscow in these disturbances. The slogans and literature of the demonstrators were said to have a Bolshevik tone. The Kuomintang Party, until recently headed by the late Dr. Sun Yat Sen, was known to be sympathetic to Moscow. Some of the Shanghai schools from which the students emerged were said to be centres of Moscow propaganda. During the strike the Red Trade Union International, the economic arm of the Communist International, made a public appeal in Moscow for funds for the striking Chinese, and sent eventually 30,000 rubles.

The Moscow *Izvestiya*, however, on June 6 denied any Communist origin of the disturbances, which it attributed to the Chinese struggle for political freedom. On the day before, Ambassador Karakhan, acting in his capacity as Dean of the Peking Diplomatic Corps, sent a protest in the name of all the legations to the Shanghai Students' Union and also a message of sympathy for the Shanghai deaths to the Chinese Government. The other members of the corps promptly repudiated these notes.

The prestige of the Western powers in China has doubtless suffered during and since the war, while the spread of Western education in China and many irritating incidents have caused a sentiment of national assertion, especially among the students and the radicals, and a demand for elimination of foreign privileges, such as extra-territoriality; and Moscow propaganda has doubtless been alive to the advantages of this situation for its own purposes. Some observers are inclined to view the situation with alarm, pointing out that such unity of the powers, as prevailed in the Boxer uprising, is impossible in the present crisis. Great Britain is attempting to

bring about joint action by the five leading powers at Peking.

The reorganization conference, in which all Chinese factions were represented and the proposed commission for drafting a new Constitution, have not abated civil war in China. In the North the Christian General Feng Yu-hsiang, who deserted Wu Pei-fu in 1924 and co-operated with Chang Tso-lin, the Manchurian war lord, in ousting President Tsao Kun and installing Tuan Chi-jui as Provisional President, in November, 1924, is said to be now planning action against General Chang near Kalgan. Moscow is said to back Feng, while Tokio favors Chang.

Civil war was declared in Canton on June 6. General Yang Hsi-min, Commander-in-Chief of the Yunnanese Army, which recently occupied Canton, announced that he would begin hostilities against the Kuomintang forces under General Li Fook-lum.

Fighting in the vicinity of Canton continued with increasing intensity through the second week of June. Several incidents occurred which threatened to involve foreign powers. An American party was fired on by Yunnanese gunners on June 9 while trying to escape from the war zone; an American woman, one of the party, was wounded. Chinese troops on June 11 shelled the American gunboat Pampanga, which promptly returned the fire; no casualties were reported. Meanwhile, some anxiety was felt for the families of foreign missionaries in Canton; a dispatch from Hong-kong to the London Daily Express on June 9 stated that a party of British missionaries had taken refuge on an island which was being guarded by British warships. The fighting abated on June 12, when it was announced that the Yunnanese troops had been defeated and driven from Canton by the Cantonese forces, under command of Bolshevik officers. Widespread slaughter of surrendering Yunnanese troops followed their defeat.

Chang Tso-lin returned the Mukden-Shanhaikwan section of the Peking-Mukden Railroad to the railway administra-

tion on May 17. He reserved, however, the right to a monthly payment which was said to be excessive and which became the subject of negotiations with the British agent. The British Legation has repeatedly demanded restoration of foreign control of this railway, which is security for a British loan. The Chinese Government railways are said to have decreased revenues by over \$2,000,000 and increased costs by over \$3,000,000 in 1924 because of civil war. Depreciation has been tremendous and continued civil war is rapidly making the railroads unworkable.

It was reported that Chang had objected to the recent dismissal of several hundred Russian Whites from employment by the Chinese Eastern Railway, which is under the authority of the Bolshevik President of the joint board. This board was provided for in the Chinese-Moscow treaty of May 31, 1924, which also provided that this railway, which was built largely by Russian capital, was to be a purely commercial enterprise, that except for business operations it should be under Chinese jurisdiction, that Chinese capital should be permitted to purchase the railway, and that the principle of equal representation should be applied in the employment of its personnel.

The text of the prize essay on practical peace plans for China was published in the Chinese press on May 24. The prize of \$1,000 was offered by The Chinese Weekly News of Shanghai, an American paper. The plan urged (1) no more loans to rival factions; (2) no more arms trade to the militarists; (3) full operation of the Washington treaties of 1922. It may be noticed that France has not ratified the most important of these treaties, though it has been acted on in practice. With regard to trade in arms, the powers agreed on May 5, 1919, to restrain their subjects from arms trade with China "until the establishment of a Government whose authority is recognized throughout the whole country," and on March 6, 1922, under authority of the joint resolution of Jan.

31, 1922, President Harding prohibited arms trade with China. Further international control of arms trade is being considered at the pending Geneva conference.

Present reports indicate that the earthquake at Talifu, Yunnan Province, on March 16, resulted in the death of 6,500 persons and rendered 100,000 homeless.

Japan

JAPAN'S attitude toward the recent disturbances in China is doubtful. Destroyers and troops were sent to Tsing-tao on May 27 and the Chinese Government was warned that it must protect Japanese property, but Tokio dispatches expressed the hope "that the Chinese authorities will suppress rioting, thus obviating the landing of Japanese bluejackets at the Chinese port," Japanese river gunboats were on hand during the Shanghai riots, but on June 2 Japan announced the policy of "watchful waiting." On the next day Foreign Minister Shidehara favored a policy of leniency toward the rioters and predicted that Peking would be able to control the situation without foreign intervention. On June 5, however, The London Daily Express reported that Japan was in effect renewing the twenty-one demands of 1915 by an urgent note "making it perfectly clear that if the Chinese authorities are no longer capable of preserving order in the various Chinese cities, then the Japanese are prepared to send such armed forces, naval and military, as will reduce the insurgents to obedience." This recalls President Roosevelt's police power interpretation of the Monroe Doctrine on Dec. 6, 1904.

Japanese organizations continued to manifest their opposition to the immigration policy of the United States. The Pacific Civilization Society announced at Tokio on June 8 that plans were being completed for the observance of a "National Humiliation Day" to be held throughout Japan on July 1, the first anniversary of the date on which the American Immigration act excluding

Japanese from the United States became effective.

Japan on May 23 suffered the most severe earthquake disaster since that of Sept. 1, 1923. A death toll of 278, 526 injured, 2,768 houses destroyed and 100,000,000 yen property losses is the report from the quake and fire in Western Japan on that morning. The main damage was in the resort towns of Toyo-Oka, Kinosaki, Minato and Kumahama. The Japanese Red Cross notified the American Red Cross that no outside assistance would be needed. Japanese seismologists estimate 5,400 shocks from Sept. 1, 1923, to April 12, 1924.

Japan is pressing negotiations with Moscow in fulfillment of Article 2 of the treaty of Jan. 20, 1925. This article provided for continuance of the Portsmouth treaty of Sept. 5, 1905, and re-examination of other treaties between Japan and Czarist Russia. The Japanese were said to wish renewal of the agreement of 1910 for partition of Manchuria into spheres of interest, but Moscow refused to negotiate. Acceptance of this proposal would seem to run counter to the Moscow-Chinese treaty of 1924.

On May 20 Japan withdrew the last detachment of troops from the northern section of Sakhalin Island, completing the evacuation provided for in the recent treaty.

Women's rights appear to be gaining in Japan. The high commission revising the code is said to recommend permission for women to initiate divorce proceedings on grounds of adultery and restriction of divorce by mutual consent to cases where living parents and grandparents also consent. Formerly only husbands could initiate divorce proceedings, and divorce by consent required only signature of the husband and wife.

Japanese abroad are taking advantage of the decline in the yen by increasing their remittances to Japan. From Jan. 1 to May 10, 4,000,000 yen were remitted, the largest amount of money sent for a similar period in seven years.

International Events

By ROBERT McELROY

Edwards' Professor of American History, Princeton University, which position he is resigning on his appointment as Harnsworth Professor of American History in the University of Oxford, England

INTERNALLIED debts have again furnished the foremost topic of the month. France is credited with the desire to get her debts so adjusted that she can act freely with regard to the things which America advises. Her foreign policy, for example, is quite definitely based on the League of Nations. She wants to make the League more and more powerful in world affairs. America, on the other hand, wishes international cooperation, but not through the League. So long as the French debts remain unadjusted it is obviously difficult for France to refuse to cooperate with America in matters which France desires to see under the League. Early in May, therefore, Joseph Caillaux, French Finance Minister, informed Myron T. Herrick, United States Ambassador to France, that as soon as France could balance her budget he would like to begin conversations with reference to the American debt. He made it clear, however, that France could not pay America and Great Britain unless Germany should first pay France; and he proposed that France set aside one-third of the payments received from Germany for the care of France's foreign debts. Mr. Herrick explained that such an arrangement could hardly be considered satisfactory as it would place the United States in the position of collecting allied claims on the Reich, and the American position had been consistently to insist that neither France's nor any other nation's obligations to the United States would be considered as dependent upon Germany's actions.

A Washington dispatch of May 15 stated that the American War Debt Commission could enter into no formal agreement with France for the funding of the French debt on other and lower terms than those in the British settlement.

It was also pointed out that should France's plea be ultimately accepted America would receive only about \$100,000,000 annually, while she would get about \$150,000,000 annually should France be compelled to meet the terms already accepted by the British.

A Washington dispatch of May 25, however, contained the statement "that Great Britain would offer no objection if arrangements for the refunding of the French debt should contain terms of settlement easier than those under which Great Britain is paying its obligations."

The suggestion that a much larger conference be held to consider all debts owing by foreign Governments was contained in a Washington dispatch of May 16:

Nine of the foreign Governments which borrowed from the United States during the World War and subsequent to the armistice have received more or less pointed suggestions from this Government that the time seems to have arrived when concrete negotiations looking to debt adjustment are in order. Great Britain, Hungary, Finland, Lithuania and Poland have completed funding arrangements with the Debt Commission. * * * The nine nations which in effect are now being called upon to follow the example of these five nations are France, Italy, Belgium, Greece, Rumania, Czechoslovakia, the Kingdom of the Serbs, Croats and Slovenes, otherwise Yugoslavia, Esthonia and Latvia. Russia, Armenia and Liberia, the other wartime debtor nations, do not figure in the present effort to produce an adjustment of indebtedness. After deduction of payments * * * already made * * * the nine nations now owe a total of \$6,731,940,999.86, apportioned as follows: France, \$3,924,867,744.17; Italy, \$2,080,780,147.21; Belgium, \$459,919,945.04; Greece, \$16,468,846.66; Rumania, \$44,451,166.95; Czechoslovakia, \$117,374,917.61; Yugoslavia, \$64,058,338.68; Esthonia, \$17,794,020.28; and Latvia, \$6,225,873.26.

This dispatch was accepted in Europe as evidence that the Coolidge administration intended to reduce the entire

question of international debts to a purely business basis. This practical view of the situation, however, did not commend itself to the French press, which indulged in bitter comment regarding the removal of sentimental considerations from such a subject. It is only fair, in view of the circumstances, to point out that France, a so-called victor nation, owes abroad some \$7,000,000,000, while the payments which Germany, a so-called vanquished nation, should make under the Dawes plan amount to only about \$10,000,000,000. With a population little more than one-half of that of Germany, therefore, France faces peace with a foreign debt 70 per cent. of Germany's. In addition France has spent almost 100,000,000,000 francs for reconstruction, and carries a domestic debt of 300,000,000,000 francs; while Germany faces neither item, her reconstruction charges being comparatively negligible and her domestic debt having been wiped out.

Of the nine countries involved in the refunding plans of the United States, Belgium alone has as yet taken definite action. The Belgian Government was reported on May 29 to have come forward with a definite expression of willingness to make a debt-funding settlement; notice to that effect was given that day to Secretary Mellon, Chairman of the United States World War Debt Commission, by Baron de Cartier, the Belgian Ambassador.

It was announced in Washington on June 1 that direct negotiations for the funding of the war-time debts of foreign nations to the United States would be held in Washington, and under no circumstances would members of the American Debt Commission consider going abroad to attend joint meetings with representatives of the debtor nations. Such was the position taken definitely by Secretaries Kellogg and Mellon, who, with Secretary Hoover, act as members of the American Debt Commission.

The second week of the international conference called to frame a method of supervising the traffic in arms began on

May 11, the meetings being still at Geneva. In the background was the United States Senate, for the delegates are fully conscious of the fact that success meant the framing of a convention which the Senate would ratify; and in view of the desire of the League members to strengthen the League, and of the United States delegation to avoid committing the United States to League leadership, this task did not prove an easy one. During the first three days of the conference the attitude of all of the forty-four participating nations made it appear at least questionable whether any nation really desired control of commerce in arms. At the very beginning one was thus forced to wonder whether the psychological moment for such control had not passed with the passage of the more acute memories of the World War. The proceedings of the conference showed astonishingly numerous pleas for special favors. "Not one nation," said a Geneva dispatch of May 24, "has failed to ask to have some special provisions removed from the draft of the protocol and at the same time demanded that new provisions be inserted. It is no exaggeration to say that the United States has led in the demands for changes." The list of war material whose sale would be subject to license and publicity was greatly reduced and depleted of such important items as warships, including battleships and submarines, airplanes, armored trains, gunpowder explosives and many types of revolvers.

Two broad currents were admittedly responsible for what was regarded as a weakening of the convention. The first concerned the absence of general agreements for security in Europe, and Russia's refusal to share in the conference. The European States, especially Russia's neighbors, hesitated to restrict their arms to traffic in any way, with Russia still an unknown quantity and with communism a danger. The second current revolved about the reluctance of arms manufacturing countries so to hamper their private arms factories with embarrassing restrictions as

to international trade in peace-time that these factories should fall into decay or disuse, and therefore be unavailable for intensive production in war-time. This consideration, therefore, was linked with the first current of opinion, that international security was not sufficiently advanced.

Representative Burton, head of the American delegation, on May 12 urged the utmost publicity in connection with the arms traffic, declaring that the United States stood ready to sign a convention requiring producing States to publish statistics of armaments.

During the discussion of May 14, the British delegates contended for the right of search, that is, the right to examine all ships suspected of carrying arms destined for her colonies; while the Japanese delegation denounced such a proposal as "a serious impediment to free navigation and liberty of transit." In the debate of the next day, May 15, Representative Burton showed sympathy with Japan's position, declaring: "We should look with disfavor upon the right of any country to search our ships. Is it not better to trust to the completeness of the treaty and to the good faith of exporting countries for sufficient observance of the terms of this convention? Detention, whether by land or sea, would be a fruitful source of friction and disagreement." America also made an attempt on May 15 to get some definite action against the use of poison gases in warfare, but was checked, at least for the time, by the argument that if a potential enemy country was free to resort to poison gas in offensive war other countries must be left free to employ it in their defense.

The first round of the fight to determine whether the United States could continue to collaborate with the League of Nations without undertaking any official relations with the League came on May 16. The combat hinged upon the question: "Shall the central offices for the reception and co-ordination of statistics of the traffic in arms be established by the League Council?" The answer of the American delegation was

"No," and Representative Burton explained their attitude by saying that, as the United States was not a member of the League, it would be difficult for her to accept a treaty which instituted an organization to be directed by the League. The answer of the affirmative side was, of course, the suggestion that the United States and Germany be added to the League Council when it met to appoint a central arms board. In the end the whole problem was sent to a special committee of ten, which on May 18 made its report to the conference, declaring in favor of eliminating the proposed board.

The League countries yielded gracefully to the delicate situation arising from the fact that the United States was not a member and the consequential probability that a convention which mentioned the League Council would stand little chance of being ratified by the United States Senate. But in yielding they refused to turn their backs upon the League and its principles set forth in the Covenant. Instead they declared in effect that if they could not have a central office appointed by the council they would not have any to collect statistics on the exportation and importation of arms. The American delegation again felt called upon to resist what seemed to them a tendency toward subordination to the League of Nations. At their suggestion Article XXVIII, which provided for the publication of the annual report on arms traffic by the League of Nations, was deleted, and Article XXX, concerning the formalities of ratification, was on May 20 adopted only after the omission of the reference to League members to which the American delegates objected. Still another success of importance to the United States and also Belgium was that revolvers were removed from Categories 1 and 2 to Categories 2 and 3 of the draft convention, thus excluding them largely from control. Further, on the initiative of Great Britain, Japan and Italy, with the support of the United States, war vessels with normal armaments, all aircraft, armored cars and

trains, gunpowder and explosives were taken from the controlled list.

A despatch of May 26 recorded America's disheartening struggle against poison gases. No provision was adopted for prohibition of the export of poison gases, such as was provided for by the American amendment, in any convention which might be concluded by the conference. The principal opponents of the American proposal were Italy, Japan and Great Britain, who argued that any clause for control of poisonous gases would be tantamount to recognition of the legitimate use of gases in warfare. Not discouraged by one failure, however, Representative Burton continued his efforts, and on June 5 the conference decided that a protocol be drawn up at once with a view to outlawing the use of poison gas in warfare.

THE SECURITY COMPACT

Discussion began anew during the month regarding a security compact which would remove the fears of France, satisfy the German Government and be acceptable to the powers less directly concerned in the problem. The German Government, though chafing over the delay of the Entente in answering its security pact proposals, showed an unexpected willingness to await the tide of events. France, too, exhibited a rather surprising power of conciliatory conduct. According to a Paris dispatch of May 11, the French agreed to discuss security with Germany before she joined the League, "it being always understood that the proposed compact would not come into effect until Germany was a member of the League." On their side, the British agreed that the evacuation of Cologne should be considered, not as an independent issue, but as part of the general problem of security, thus assuring the Allies' holding both the northern bridgehead and the Ruhr during the negotiations with Germany. This went a long way toward reassuring French opinion. Herr Stresemann, German Foreign Minister, appeared before the Reichstag on May 18 and discussed the issues of Germany's foreign policy, ex-

pressing indignation at what he characterized as the lack of frankness on the part of the Allies. "If Germany's derelictions were so self-evident as the world has been given to understand," he declared, "it would certainly have been possible for the Allies to agree upon the wording of the note. Up to today we have not received any answer regarding the security pact from the Entente powers or from the French Government." A Paris dispatch of May 24 stated that negotiations for a security compact between the Allies and Germany had been held up by differences between Great Britain and France. The issue which has halted progress was Foreign Minister Briand's demand that the neutralized zone along the Rhine, while shutting off the Germans from France, should not in all cases shut off France from Germany. The British point of view was that the way to protect France was to establish along the Rhine in very definite fashion and subject to inspection and control of the League of Nations a strip of territory across which neither France nor Germany might march without committing an act of war against all signatories of the compact. Germany was willing, it was stated, to accept such an agreement with the express understanding that if German troops were thereby forbidden to move westward, to the same degree French troops must be prevented from moving eastward.

The Council of Ambassadors on May 30 finally agreed upon the note to be presented to Germany and on June 4 it was presented. Basically it was the strongest notification made to Germany in the past two years. In less than 1,200 words it presented a list of Germany's violations of the military provisions of the treaty, a series of measures which Germany must take to get back control of Cologne, and a list of concessions the Allies had already made on the disarmament clauses of the treaty. The full text of the note was as follows:

(1) In their note of Jan. 5 last the allied Governments informed the German Government that the extent to which the Treaty of Versailles had been fulfilled by Germany did not justify them in granting her the benefit

of partial evacuation in advance as contemplated by Article 429.

(2) At the same time they declared their intention of awaiting the final report of the Interallied Commission of Control before informing the German Government "what will remain for Germany to do in order that her military obligations may, within the terms of Article 429, be considered faithfully fulfilled."

(3) This report now has been received and examined. It establishes numerous defaults of the German Government in respect to obligations devolving upon them under Part V of the Treaty of Versailles and thus enables the allied Governments now to make the communication which they had promised.

(4) The allied Governments consider it of capital importance to place in the foreground of their argument the general observation that these defaults, if not promptly rectified, would in the aggregate enable the German Government eventually to reconstitute an army modeled on the principles of a nation in arms. This would be directly counter to the treaty of peace under which the German army was to be used exclusively for the maintenance of internal order and for the control of the German frontiers. It is this circumstance which, while it demonstrates the importance of each individual default, renders the totality of these defaults so serious a menace to peace.

(5) In order that the treaty may be fulfilled in its fundamental provision it is therefore necessary that these important defaults should be made good. So long as they remain unrectified it will be impossible to consider Germany's military obligations fulfilled. It should be clearly realized that breaches of treaty thus specified constitute the most serious but not the only evidence of non-fulfillment by Germany of this essential portion of the treaty of peace.

(6) In the accompanying memorandum will be found the first examination of the state of execution of the military obligations devolving upon Germany, as established by the report of the Commission of Control, dated Jan. 25, 1925. The second is a summary of the principal points in the military clauses on which the Allies have not yet received satisfaction. The third is a detailed list of the measures which should be taken to rectify these defaults. In regard to these the allied Governments have given necessary instructions to the Commission of Control, the body qualified by the treaty to act in this respect. The fourth is a list of concessions already made by the Allies. This list has been inserted in order that the statement of the position should be complete.

(7) The allied Governments are convinced that it merely requires good-will on the part of the German Government and the German authorities to secure that rectification of the defaults cited in the third part of the memorandum are carried out in a relatively short period.

(8) In fine, it now rests with the German Government themselves to create conditions so that the evacuation can speedily be effected. It is they themselves who will profit by the readiness with which they give effect to the rectifications demanded, as well as the care with which they proceed strictly to conform their attitude to the terms of the treaty.

(9) The Reparation Commission has, in a letter of which a copy is enclosed, declared that Germany at the present moment is faithfully fulfilling her reparation obligations as they are at present fixed. The allied Governments therefore are prepared, notwithstanding reservations which state that the non-execution of other parts of the treaty

would justify on their part any consideration of capital importance they attach to the execution of the military clauses of the treaty, to order the evacuation of the first zone of occupation so soon as the breaches of the treaty enumerated in Part III of the attached memorandum have been made good.

(10) They are confident that during the period required for the execution of the rectifications in question no fresh serious infraction by Germany of any of her obligations under the treaty will arise to hinder the operation of Article 429.

(11) There will then be nothing further to prevent the withdrawal of the Interallied Military Commission of Control, whose task it will be possible to consider completed. Its withdrawal will be notified to the Council of the League of Nations in view of the application of the measures laid down by that body for the purpose of execution of Article 213 of the treaty of peace.

(12) Finally, the allied Governments have observed from the terms of the German Government's notes of 6 and 27 January, that the latter appeared to misapprehend the reasons which led the allied Governments to take the present attitude. Anxious to avoid all possibility of a misunderstanding in the future, they wish to declare afresh, as they did in their note of 26 January, that they intend scrupulously to observe the terms of Article 429 of the treaty.

(13) The allied Governments equally cannot leave unchallenged the allegation contained in the German note of Jan. 6 that the non-evacuation of the Cologne zone on Jan. 10, 1925, constituted a measure of reprisal on their part. Such a contention, already refuted in the allied note of Jan. 26, shows complete misapprehension of the bearing of Articles 428 and 429 of the treaty. It was for the German Government, by faithfully fulfilling their obligations, to earn the benefit of evacuation of the first zone of occupation, as provided for by Article 429.

(14) Again, the allied Governments cannot admit that their decision was an act of severity out of all proportion to the importance of the military obligations which remain to be fulfilled. On the contrary, among those obligations which the German Government represent in their note as being of secondary importance, are clauses to the essential importance of which the Allies have for long but in vain drawn the attention of the German Government, and particularly in the collective note of Sept. 29, 1922.

(15) Furthermore, subsequent to the note on several occasions and again quite recently, the German Government committed new serious infractions of the treaty, notably by proceeding to the incorporation in the Reichswehr of short-term voluntary recruits; by authorizing numerous associations, illegal under the terms of the treaty, to carry out military training; by encouraging the development of certain plants in factories.

(16) Nevertheless, the allied Governments, having cited these infractions, are prepared, in their anxiety to avoid all controversy, to keep in mind only the assurance contained in the German note of the 6th of January, to the effect that the German Government will do their best speedily to attain a necessary practical result.

(17) It is for this reason the allied Governments again appeal earnestly to the German Government to liquidate with the necessary good-will the outstanding matters, the settlement of which the gravity of the situation demands. This is the only way in which that Government can, in their own words, "bring alleviation to Germany by the liberation of a portion of the occupied territory."

Gen. Primo de Rivera Justifies His Dictatorship

The following statement was written May 21, 1925, for The New York Times, by Captain General Miguel Primo de Rivera, Marquis of Estella, justifying his seizure of control of Spain and affirming that the country is contented and prosperous; it is printed in CURRENT HISTORY MAGAZINE by special arrangement.

FOR some time past, specifically since the coming into power of the Directorate, the foreigner arriving in Spain does not come free from prejudice. He harbors an idea of encountering a people under torture or at least asleep. Many people formed such an opinion as a result of false and determinedly mendacious reports given out by a certain number of emigrants. But crossing the frontier, great is the surprise of these foreigners on finding themselves in an atmosphere of peace, tranquillity and happiness, perceiving on the part of the people a spontaneous expression of confidence and respect for the King and the Directorate.

Under a hypnotic suggestion of liberty and democracy as understood by a certain class of intellectuals, people often do not succeed in explaining to themselves how Spaniards now live so contentedly and hopefully, lacking according to the ideas of these intellectuals, two essential principles of modern life. The case cannot be explained except with profound knowledge of a race which through its prudence and reflection distinguishes perfectly liberty and true democracy from the fictitious version given by extravagant writers of treatises more interested in their own personal profit than the truth and essence of matters.

Spaniards now reply daily that not only do they enjoy all liberties and guarantees but prosperity in their business activities because the Government gives them an impulse and does not benumb them with an absurd, complicated and retarding bureaucratic system. It has been shown also that there has never been less crime, that prisons never

have been emptier, for the Directorate inspires respect for itself without resorting to compulsion or violence.

We well know there are people who wish to describe us as a clerical Government and retrogressive, favoring evolution to an absolute régime. To this we need only reply that as regards the first point we confined ourselves to guaranteeing the exercise of the religious faith professed by the great majority of Spaniards, as evidenced by the splendor of the devotion wherewith they practice their religion. Regarding the second point, there has not been any Government in an entire century which has opened more centres of instruction, nor has there been a more independent and more brilliant régime for instructors and teachers. The third point is more than answered by the constitutionalism within which the King of Spain exercises his functions, those who attack him on one ground or another being unable to cause him to lose the affection of the people who spontaneously acclaim him.

A certain foreigner, seeing the King and Queen on foot surrounded by the public at the Royal Fair at Seville, asked me how it was possible in Spain that we omitted precautions and formalities wherewith in all parts of the world heads of nations, even chiefs of Government, are surrounded at all times. The reply lies in the fact that in Spain the best safeguard of the King is the affection of the people, who themselves watch over him and would inflict the severest punishment on any one who committed any misbehavior or any disrespect.

Similarly, an opportunity occurs to

me to rectify before the entire world, through the medium of such an important newspaper as *The New York Times*, false and insidious versions which were spread abroad regarding the last visit of the King and Queen to Seville, with a view to picturing it as a continuous orgy because they were present at two or three public entertainments offered by committees and societies, at which they maintained themselves—it appears needless to say—in all the dignity and simplicity which constitute the depth of character of our King and Queen, who, besides, daily visited agricultural and industrial organizations, military establishments and charity organizations, as is their custom when passing through the Provinces of the kingdom.

I therefore repeat that in order to explain to one's self what is occurring in Spain and the state of mind of Spaniards it is necessary to know them, because they resemble no other people and no other race in the sound political sense, which has made them understand that there is already molded in laws and in practice all the liberal and democratic ideas for which they struggled with such great faith and enthusiasm, with which they maintain so well the dignity and rights of citizens. With their good sense they accepted admitted situations growing out of that undertaking, realizing that any other method would possibly be detrimental and dishonorable in their own eyes. With good sense they fought for a liberal basis of legislation, but also with good sense they realized the corruption of principles which had arisen and the necessity of purifying by a special régime. With good sense they sought to obtain a balance of the national budget, but, letting themselves be guided by the same quality, they accepted and saw with pleasure such expenditures as might lead to great prosperity by means

of public works and development of their resources.

Summing up, in three great problems pending—economy, extension of learning and settlement of the Moroccan problem—the Spanish people are heartily with their Government, placing in it all confidence.

The Spanish people also have a great instinct for understanding what should be their relations with America, which they developed continually by their labors, for which they have a singular regard that obliterates not only the memory of remote struggles but also others of more recent date in which the present generation took part, securing before the passing of a quarter of a century the cordial relations that today unite them to Cuba and the United States, which has, with evidences of sincerity, captivated the consideration of Spaniards who possibly as the bitterest memory of the war retain the thought that any one should believe they provoked it by an act of disloyalty utterly incompatible with Spanish character.

I am sure when the great nation of the United States recognizes that the accident of the *Maine* was purely an accident, sincerely deplored by the Spanish people, there will be an increase of friendly feeling for the great North American Nation to which there is so much to unite Spaniards through spiritual, cultural and commercial expansion as well as their Spanish origin and the beautiful language of Cervantes—so esteemed by Americans—and the tradition and history of Spain. Their customs will afford a better opportunity and this would be enhanced should there be established a current of tourist energy, should Americans come to Spain in large numbers and realize that in Spain are found traditions of hospitality, idealism, art, all movements of progress and culture and all comforts the most advanced modern countries can offer.
